

**Members are reminded that they must declare all relevant pecuniary and non-pecuniary interests relating to any items of business to be discussed at this meeting**

**BIRMINGHAM CITY COUNCIL**

**CABINET**

**TUESDAY, 25 JULY 2017 AT 10:00 HOURS**  
**IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA**  
**SQUARE, BIRMINGHAM, B1 1BB**

**A G E N D A**

**1 NOTICE OF RECORDING/WEBCAST**

The Chairman to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Internet site ([www.birminghamnewsroom.com](http://www.birminghamnewsroom.com)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

**2 APOLOGIES**

To receive any apologies.

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**3 BIRMINGHAM CHILDREN'S TRUST**

Item Description

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**4 CORPORATE REVENUE MONITORING REPORT MONTH 2**

Report of The Chief Executive and Finance Director

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**5 MANAGEMENT OF WORKFORCE REDUCTIONS FOR 2017-18**

Report of the Interim Chief Executive.

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**6 INCENTIVISING SELF BUILD IN THE CITY**

Report of Corporate Director, Economy

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**7 DRIVING HOUSING GROWTH THROUGH THE EXPANSION OF INREACH**

Report of Corporate Director of Economy

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<b><u>369 - 394</u></b>	16	<b><u>ESTABLISHMENT OF A COMMERCIAL VENTURE BETWEEN THE LIBRARY OF BIRMINGHAM AND THE BIRMINGHAM REPERTORY THEATRE - APPROVAL OF THE FULL BUSINESS CASE AND CONTRACT AWARD</u></b>	Report of the Corporate Director - Place

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- 17 **PROCUREMENT CONTRACT - PROCUREMENT STRATEGY FOR THE PROVISION OF DESIGN CONSTRUCTION AND FACILITIES MANAGEMENT SERVICES (DCFM) - PUBLIC**

Item Description

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- 18 **PLANNED PROCUREMENT ACTIVITIES (AUGUST 2017 – OCTOBER 2017) AND QUARTERLY AWARD SCHEDULE (APRIL 2017 – JUNE 2017) - PUBLIC**

Report of Director of Commissioning and Procurement

**425 - 430**

- 19 **APPOINTMENTS TO OUTSIDE BODIES**

Report of the City Solicitor.

- 20 **OTHER URGENT BUSINESS**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

- 21 **EXCLUSION OF THE PUBLIC**

That in view of the nature of the business to be transacted which includes exempt information of the category indicated the public be now excluded from the meeting:-

## **P R I V A T E   A G E N D A**

- 22 **DISPOSAL OF 55 HOLLOWAY HEAD (LEE BANK HOUSE), BIRMINGHAM (PRIVATE)**

Item Description

- 23 **PRIVATE - HIGHWAY MAINTENANCE AND MANAGEMENT PFI CONTRACT**

Item Description

- 24 **ESTABLISHMENT OF A COMMERCIAL VENTURE BETWEEN THE LIBRARY OF BIRMINGHAM AND THE BIRMINGHAM REPERTORY THEATRE - APPROVAL OF FULL BUSINESS CASE AND CONTRACT AWARD -PRIVATE**

Item Description

- 25 **REPLACEMENT SOCIAL CARE IT SYSTEM (CHILDREN AND ADULTS) APPROVAL TO AWARD CONTRACT - PRIVATE REPORT**

Item Description

26 **PROCUREMENT CONTRACT - PROCUREMENT STRATEGY FOR THE  
PROVISION OF DESIGN CONSTRUCTION AND FACILITIES  
MANAGEMENT SERVICES (DCFM) - PRIVATE**

Item Description

27 **PLANNED PROCUREMENT ACTIVITIES (AUGUST 2017 – OCTOBER  
2017) AND QUARTERLY AWARD SCHEDULE (APRIL 2017 – JUNE  
2017) - PRIVATE**

Item Description

28 **OTHER URGENT BUSINESS (EXEMPT INFORMATION)**

To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chairman are matters of urgency.

28A **PRIVATE - BIRMINGHAM SMITHFIELD DEVELOPMENT  
PROCUREMENT STRATEGY**

Item Description



**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>INTERIM CHIEF EXECUTIVE AND INTERIM CORPORATE DIRECTOR , CHILDREN &amp; YOUNG PEOPLE</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>BIRMINGHAM CHILDREN'S TRUST</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003514/2017</b>
<b>If not in the Forward Plan: (please "tick" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member:</b>	<b>Cllr Brigid Jones – Children, Families and Schools</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Susan Barnett – Schools, Children and Families</b>
<b>Wards affected:</b>	<b>All</b>

**1. Purpose of report:**

1.1 This report seeks Cabinet approval for:

- the proposed children's social care and related support services required by the Birmingham Children's Trust as the basis for formal consultation and for negotiation between the Council and the Trust to agree the Service Delivery Contract.
- the indicative 2018/19 Trust budget.
- the approach to the transfer of staff from the Council to the Trust at April 2018.

1.2 This follows Cabinet approval in January 2017 to create the Trust as a wholly owned company model and as a community interest company (CIC) and put in place a shadow period (from April 2017 to March 2018) to test the governance arrangements between the Council and the Trust prior to full transition (go-live) at April 2018.

**2 Decision(s) recommended:**

That Cabinet:

- 2.1 Agrees the proposed services required by the Trust as the basis for commencement of formal consultation with staff affected and recognised trade unions and for negotiation between the Council and the Trust to agree the Service Delivery Contract (Appendix 1 – Birmingham Children's Trust: Proposed Trust Services).
- 2.2 Notes the indicative budget for the Trust at 4.2. This will inform Council budget planning and decisions for 2018/19.
- 2.3 Agrees TUPE as the preferred option for transfer of staff (Appendix 2 – Birmingham Children's Trust: Transfer Approach Options Appraisal) and that the staff so affected transfer to the Trust at April 2018 following formal consultation.
- 2.4 Agrees the Memorandum of Understanding (Appendix 3) between Birmingham City Council and the DfE setting out the intention and understandings between the parties in respect of establishing the Trust and related matters.
- 2.5 Notes the high level milestones at section 10.1 of the MoU for full establishment of the Trust and agrees delegation to the Council's Chief Executive and the Cabinet Member for Children, Families and Schools, in liaison with the Trust Chair, authority for full transition (go-live) at April 2018.
- 2.6 Delegates to the Council's Chief Executive and the Director for Children's Services (DCS) jointly with the Cabinet Member for Children, Families and Schools agreement of the Service Delivery Contract between the Council and the Birmingham Children's Trust and all implementation steps to ensure the transition of services from the Council to the Trust by April 2018, including the final TUPE arrangements.
- 2.7 Delegates to the City Solicitor the novation of all necessary Council contracts to the Birmingham Children's Trust.
- 2.8 Authorises the City Solicitor to enter into and to affix the Council's Seal to all contracts and agreements that may be necessary to give effect to recommendations at 2.1 to 2.7.

<b>Lead Contact Officer(s):</b>	Colin Diamond Interim Corporate Director, Children & Young People
<b>Telephone No:</b>	0121 464 2808
<b>E-mail address:</b>	<a href="mailto:colin.diamond@birmingham.gov.uk">colin.diamond@birmingham.gov.uk</a>

### **3. Consultation**

#### **3.1 Internal**

In advance of consultation in accordance with TUPE (Transfer of Undertakings [Protection of Employment] Regulations) 2006, there has been engagement with service users, affected employees, trade unions and Elected Members. This has included potential Trust models, staff transfer approach and the scope of services to transfer to the Trust. Outcomes of this process have informed preparation of this report.

There has been engagement with staff including face-to-face information and engagement sessions. A Staff Reference Group has helped shape discussions and thinking. There has been support from staff, based on recognition of the potential benefits of a Trust model including a single focus on children's social care.

This is set alongside an emphasis on the need for transparency in responding to staff uncertainty and anxiety during transition to the Trust, and the need to adhere to the Council's principle on not being distracted from already secured and planned improvement work.

There have been commitments and support from partners for the proposal and its potential to facilitate more effective joint working, and all-party support from the respective group leaders.

Trade union consultation so far has focused on the model for transfer of staff and union involvement in Trust governance arrangements.

Officers from Children's Social Care, Legal, Finance, Corporate Procurement and HR have contributed to the production of this report.

#### **3.2 External**

Engagement has included strategic partners and stakeholders from health, police, the voluntary sector, the Birmingham Safeguarding Children Board, the Children's Strategic Leaders Forum, the Department for Education (DfE) and Birmingham's Commissioner for Children's Social Care.

There has also been direct liaison with other local authorities (Doncaster, Slough, Kingston-Upon-Thames, Richmond and Sunderland) where Trust arrangements exist or are being developed and learning from this has been taken into account.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

Establishment of the Trust is consistent with the Council's priorities of protecting children and ensuring Birmingham is a safe city for them to learn and grow in, as set out in the Council Business Plan and Budget 2017/18. Appraisal of options included consideration of the design principles agreed by the City Council in June 2016 and Cabinet in July 2016.

#### **4.2 Financial Implications**

##### **4.2.1 One of the design principles agreed by the Council in June 2016 was that the current financial plan and Council priority must be maintained through to at least 2020. This position is also confirmed in the Memorandum of Understanding at Appendix 3.**

##### **4.2.2 The scope of services to be included in the Children's Trust is shown in Appendix 1. Section 2**

of Appendix 1 outlines the core services in scope to transfer to the Trust. The recurrent revenue funding (net revenue budget) for the confirmed core services is shown below. This excludes support services.

2017/18	£162.5m
2018/19	£160.8m
2019/20	£158.4m
2020/21	£157.4m

These figures include planned savings for future years approved in March 2017 in the Council's Financial Plan 2017+.

- 4.2.3 Work has been undertaken to calculate and disaggregate the costs of support services across the Council and those that would transfer into or be purchased by the Trust. An agreed baseline 'As-Is' position between the Council and the Trust is shown in Appendix 1. An initial baseline budget of £20.928m has been identified for the Trust to deliver or purchase support services.
- 4.2.4 However, the Council budget requires the delivery of support services cost savings as approved in the Council budget planning for 2017/18 and beyond. As a result the Trust will be required to achieve minimum savings of £1.79m, in line with the overall profile of the Council's savings target, from the budget it will receive to deliver support services.
- 4.2.5 Furthermore, a saving of at least £1.3m will be required from the support services that the Trust will purchase from the Council in line with reductions in posts across frontline and corporate services. It will be the Council's responsibility to deliver these savings in negotiation with the Trust and to ensure this does not prejudice the outcomes agreed by the Council and the Trust.
- 4.2.6 It is expected that the cost of any redundancy payment to staff who leave the organisation as a result of any reorganisation to achieve the above-mentioned cost savings up to the point of the Trust go live in April 2018 will be paid by the Council. The cost of any future redundancy payments to staff incurred as a result of any structural reorganisation within the Trust, and consequent pension strain, will be the subject of discussion between the Council and the Trust, to be concluded and finalised by agreement with the Cabinet Member for Children, Families and Schools, the Chief Executive and the Chief Financial Officer, as part of the negotiation of the Service Delivery Contract.
- 4.2.7 The Trust will operate from a number of existing Council buildings under a lease arrangement. As a result the Trust will receive an equivalent budget, currently estimated to be £1.9m to pay the Council for the space it uses. The overall impact of this will be cost neutral with the Council receiving an equivalent income for the space being used. Clarification of the exact space to be utilised will form part of the detailed discussions to be had between the Trust and the Council during the shadow period.
- 4.2.8 Children's services are currently provided by the Council and the Council is able to reclaim VAT costs. VAT is a significant consideration for the creation of the Trust and is a matter that continues to require clarification, not just for Birmingham but in a wider national context for local authorities which are voluntarily pursuing alternative models for delivery of children's services. DfE has been seeking a resolution with HMRC with regard to the VAT treatment for Children's Trusts generally and Birmingham specifically. Pending further progress on that the Secretary of State has agreed to meet any additional costs arising from the VAT treatment of the Birmingham Children's Trust. Currently, the council are advised by external tax advisors that the Trust will incur a liability of approximately £5m for core services and up to £3m for support services. The Council is continuing to liaise closely with the DfE.
- 4.2.9 The contractual arrangements between the council and the Trust will be designed to ensure that the Trust receives sufficient income to meet the costs of service provided to the Council. It is required that the Trust will live within its financial means. There will be no expectations for the Trust to make surpluses, nor will the Trust operate with the intention of doing so. Notwithstanding this the Trust will be potentially liable for Corporation Tax on any taxable surpluses that it makes. Professional tax advice has been received advising how the risk of a

corporation tax liability might be mitigated.

- 4.2.10 The Trust is required to obtain admitted body status to the West Midlands Pension Fund within the Local Government Pension Scheme (Fund) to maintain existing pension terms and conditions for transferring staff. The Council will be required to act as guarantor for the Trust's liabilities to the Fund. The contribution rate to be paid by the Trust to the Fund to meet future and past service pension liabilities is dependent upon the age profile and other demographics of the staff to be transferred. An actuarial assessment of the liabilities attributable to the staff to be transferred to the Trust is required (this will provide an overview of the scale of the liabilities, and costs, which relate to the transferring staff). It is the intention that at the point of transfer the overall financial impact of the pension costs between the Council and the Trust will be cost neutral. Thereafter, under the applicable Local Government Pension Scheme regulations, the Trust is responsible for funding the liabilities to the Fund attributable to the transferring staff. The detailed arrangements will be negotiated between the Trust and the Council during the shadow period.
- 4.2.11 The Council and the Trust will use the indicative figures as above to form the basis of negotiations of the financial mechanism under the Service Delivery Contract during the shadow period. It is anticipated that the budget for each financial year of the Service Delivery Contract will be agreed annually between the Council and the Trust based on a set of assumptions that will be agreed as part of the negotiations.
- 4.2.12 The Trust will receive income through payments made by the Council pursuant to the Service Delivery Contract. As such, a detailed financial mechanism will need to be agreed as part of the Service Delivery Contract negotiations, which recognises that the Trust will be dependent on such payments from the Council to run the services, but also requires the Trust to deliver the services in a financially prudent manner in line with the agreed mechanism.

#### 4.3 Legal Implications

- 4.3.1 The Trust facilitates the discharge of a range of local authority functions under Part III and Schedule 2 Children Act 1989, the Children Act 2004, the Children and Families Act 2014 and the Adoption Act 2002. Section 111 Local Government Act 1972 allows the local authority power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of their functions. As a local authority in intervention and subject to direction from the Secretary of State the current Children's Commissioner relationship will continue whilst the Trust is developed and implemented and the DfE will continue to hold the Council to account for improvements in delivery and outcomes.
- 4.3.2 The Council will remain accountable for the welfare and wellbeing of children and young people and for improving outcomes. Through a Service Delivery Contract with the Council the Trust will be responsible for determining how those outcomes of most relevance to its work are achieved and also for the day-to-day running of Children's Services. This will be a legally binding contract by which the Trust will agree to provide children's services functions on behalf of the Council and which, by its terms and conditions (including a service specification and performance framework), will seek to ensure the Children's Trust is meeting the Council's statutory duties. It is proposed that the contract length is for five years, with a provision to extend for a further five years, following a review. The contract will include DfE third party rights whilst the local authority remains in intervention (meaning some decisions, for example, termination of the contract, would require agreement with the DfE).
- 4.3.3 The Council will continue to hold the statutory remits of the Director of Children's Services (DCS) under Section 18 Children Act 2004 and Lead Member for Children's Services under Section 19 Children Act 2004. The Council will be the body held accountable by Ofsted. The Council has agreed a principle covering wide accountability of the Trust. That includes the role of the Lead Member, responding to relevant queries and casework from Members, all Councillors exercising their corporate parenting responsibilities and the Trust Chair and senior Trust managers reporting to the relevant Scrutiny Committee and others as appropriate.
- 4.3.4 The Birmingham Safeguarding Children Board retains its role in ensuring the effectiveness of co-operation between agencies in safeguarding and promoting the welfare of children and

young people. This recognises that the development of the Trust sits within a wider outcomes framework that must have regard for the wellbeing of all Birmingham's children and young people and for the associated outcomes to which all agencies, including the Trust, will contribute.

- 4.3.5 A key principle of assurance is that the Council, DCS and the Trust have a shared understanding of the wider outcomes framework for children and young people and the outcome focus of the contract. That needs to be expressed in a commitment to put in place actions that enable the experiences of children and young people who receive services to be understood and improved in order to achieve best outcomes. Implementing the principle requires effective and comprehensive arrangements to be outlined in the contract between the Council and the Trust that enable the quality, effectiveness and impact of services to be monitored and evaluated. The Trust will be required to develop and maintain an effective performance management capability that will enable up-to-date information on the volume, quality and effectiveness of services to be available at a child level basis. In addition, the Trust will have a programme comprising audit, dip sampling and other means of evaluating the quality and impacts of services that will demonstrate the overall effectiveness of services and their impact upon outcomes for children and young people. Ofsted monitoring visits will be another important source of evidence of progress. This information will be available to the DCS and periodically subject to scrutiny by council members and the DCS when required.
- 4.3.6 A memorandum of understanding has been agreed between the City Council and DfE covering the shadow period (Appendix 3). This provides a roadmap and key milestones to establishment of the Trust by April 2018. The MoU is a non-legally binding agreement between the Secretary of State and the Council setting out the intentions and understandings between the parties in respect of establishing the Trust and related matters including, for example, the appointment or removal of the Chair.
- 4.3.7 Under domestic legislation in order for an employee of one gender to claim that they are receiving differential pay compared to comparators of another gender, they must be employed by the 'same employer' or 'associated employer' on the 'same terms and conditions' and at the 'same establishment'. The legislative provisions that govern pay and reward are set out in the provisions of domestic and European legislation including the Equality Act 2010. Employers are "associated" if one directly or indirectly controls the other, or if a third person directly or indirectly controls both. Therefore, the Council and the Trust are likely to be determined as an 'associated employer' for employment matters including liability for equal pay. To protect both the Council and the Trust against any liability accruing to the Council or the Trust and specifically as a result of changes to pay and reward in either organisation, then appropriate provisions will need to be included in the Service Delivery Contract.

#### 4.4. Public Sector Equality Duty

The Full Assessment (Appendix 4) has included children and young people as service users and staff. Consideration of age, disability, gender and race as protected characteristics have been considered. The principal potential impact of the Trust identified to date has been that upon staff. The Council will seek to minimise any impact upon staff through its TUPE negotiations and contract with the Trust.

### **5. Relevant background/chronology of key events:**

- 5.1 The Council has been rated as inadequate in the delivery of its responsibilities to children for some years and, following the September/October 2016 Ofsted inspection, remains inadequate (though some improvements have been recognised and some areas are graded more highly). The Council therefore remains in intervention pending a further full inspection which can be anticipated by early 2019.
- 5.2 On 24 January 2017 Cabinet agreed the establishment of the Trust based on it offering:
- an opportunity to develop and consolidate changes and improvements already underway.
  - a sole focus on children's social work and the ability to tailor ways of working to support best practice.

- a greater focus on service delivery and securing the best conditions for great social work.
- wider experience and expertise brought to bear through the Board and its leadership.
- a strong and clear voice – including the voice of children - to the Council, partners and the city.
- a clean break with the past.
- an opportunity to design strong staff engagement into the governance arrangements.
- clarity about the Council as place leader – holding the ring for children with credibility.
- a single locus with partners about shared responsibility for children and families with highest needs.
- clarity in communicating the work of the Trust.

- 5.3 That decision also took account of a range of key challenges and considerations included the longstanding issues with the sustained delivery of children's services in Birmingham by the Council; serious structural, practice and governance issues affecting children's services in Birmingham as identified by Professor Julian Le Grand in 2014; and, as identified in the July 2016 report 'a case for change', six key 'root causes' which challenged the Council's ability to deliver a sustainable and improved children's service at pace.
- 5.4 The Trust has now been incorporated based on a wholly owned company model, to be converted to a community interest company by April 2018. The Chair is its sole director and the Council its sole member.
- 5.5 The agreed model was considered most likely to secure the conditions for sustainable improvement and meet the strategic objectives (eg. accommodating the scope, providing independence, commissioner/provider split, reflecting the City Council's principles), minimise risk (complexity, market gaps) and relative affordability.
- 5.6 The services required by the Trust are set out in Appendix 1 – Birmingham Children's Trust: Proposed Trust Services. Subject to further Council/Trust discussions these will be transferred to the Trust, purchased or secured via a mix of these models.
- 5.7 An appraisal of the TUPE and secondment options for transfer of staff to the Trust has been undertaken and is attached at Appendix 2. This concluded that TUPE is the preferred and recommended option. A key consideration in proposing TUPE as the model of transfer is the need to demonstrate operational independence. TUPE will protect employees' existing terms and conditions of employment when social care functions transfer from the Council to the Trust. Employees who are in-scope for the transfer automatically become employees of the Trust as the new employer on the same terms and conditions. Continuity of service and all other contractual and statutory rights of transferring Council staff are all preserved.
- 5.8 With respect to the Trust Board, Andrew Christie was appointed Chair Designate on 25 November 2016 in accordance with the all-party appointments procedures of the Council. The Trust Chief Executive has been recruited and will start on 14 August 2017. Once the new Chief Executive has commenced in post, line management of some internal posts will change on the run up to becoming a Children's Trust. Five non-executive directors have been appointed. The Director of Resources will be the next senior post to be filled and initially this will be on an interim basis in order to secure this input as soon as possible.
- 5.9 Membership of the Board is based on:
- a Chair.
  - a Chief Executive.
  - a Director of Resources.
  - a Director of Operations.
  - a Director of Commissioning and Development
  - up to six non-executive directors, including a Council-appointed representative, with social work, finance, HR and legal expertise and experience and knowledge of Birmingham and partner agencies.
- 5.10 The Trust, through its governance arrangements, is committed to and will develop mechanisms for strong staff and union engagement. It is committed to nurturing good employee relations with employees and trade unions including examining a range of options which will include Board

representation.

- 5.11 In regular meetings since Summer 2016 with representatives from health, police, education and the voluntary sector, partners have indicated support for the Trust as an opportunity for better integration and collaborative working. Partners have been involved in programme management and shadow governance arrangements (the independent Chair of the Birmingham Safeguarding Children Board is a member of the Steering Group and the Design Authority) and they have contributed to the appointments of the Chair Designate and the Chief Executive. Recognising that the Trust would be part of a wider system of agencies and partners which share the aim of securing better outcomes for children and young people, there is a commitment to building stronger relationships and behaviours around a shared vision, values and leadership of the system.
- 5.12 The next key work within the programme is to establish the Intelligent Client Function within the Council to hold the Trust to account (for example, contract management) and to draft and agree the Service Delivery Contract between the Council and the Trust and this work is scheduled to commence from August 2017.
- 5.13 The programme is on schedule to ensure that the Trust implementation achieves the April 2018 date.

#### **6. Evaluation of alternative option(s):**

- 6.1 The range of options for voluntary development of a Trust model were evaluated throughout 2016. Cabinet agreed, in January 2017, creation of the Trust based on the wholly owned company option and as a community interest company.

#### **7. Reasons for Decision(s):**

- 7.1 To secure formal support for the full implementation of the Trust, services to transfer or be purchased and the model of staff transfer at April 2018.
- 7.2 To address longstanding failures, to consolidate changes and improvements already underway, and to secure the greater agility and focus required to deliver excellent social work in an effective and sustainable way.

#### **Signatures**

**Date**

Cabinet Member, Children, Families and Schools:  
Cllr Brigid Jones

.....

Interim Corporate Director, Children & Young People:  
Colin Diamond

.....

Interim Chief Executive:  
Stella Manzie

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#### **List of Background Documents used to compile this Report:**

Report of the Improvement Quartet to City Council 14 June 2016.  
Cabinet Reports 26 July 2016, 20 September 2016 and 24 January 2017 – Voluntary Children's Trust.

#### **List of Appendices accompanying this Report (if any):**

1. Birmingham Children's Trust: Proposed Trust Services.
2. Birmingham Children's Trust: Transfer Approach Options Appraisal.
3. Birmingham Children's Trust: Memorandum of Understanding between the Secretary of State for Education and Birmingham City Council.
4. Birmingham Children's Trust: Equality Analysis – Full Assessment.

<b>Report Version</b>	FINAL	<b>Date</b>	13 July 2017
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## 1. Birmingham Childrens Trust: Proposed Trust Services

In January 2017 Cabinet approved a proposed scope of children’s services to be included within the Children’s Trust.

This paper is an update to that scope and reflects the agreed baseline (“As-Is”) position between Birmingham City Council (BCC) and the Birmingham Children’s Trust.

Subsequent discussions between BCC and the Trust will determine the final delivery model for each service. The model and service details will be articulated in service specifications that will form part of the Service Delivery Contract.

Using the January 2017 Cabinet Report as a starting point, the transition programme has engaged with the senior management of Children’s Social Care, senior managers of all support services under consideration, and staff groups in various fora.

The following sections set out the results of this work and reflect the baseline position in terms of full time equivalent posts and financial values:

- Section 2 outlines the Core Services **in** scope.
- Section 3 outlines the Directorate Support Services **in** scope
- Section 4 outlines the Corporate Support Services **in** scope
- Section 5 outlines the services **out** of scope.
- The services are listed in alphabetical order.

The staff in those core and support services in scope for which transfer to the Trust is proposed will be in scope for TUPE

The services out of scope will not be transferred to the Trust and those staff will remain within BCC

The FTE and values for support services set out in section 3 and 4 are current as at June 2017 and reflect the net position having taken account of committed savings in 2017/8. Any further committed step up savings in future years will need to be accommodated from the transferred resource to the Children’s Trust

Support Service posts set out in section 4 will be subject to potential reductions in line with the proposed savings set out in paragraph 4.2.5 of the report.

## 2. Core Services – IN SCOPE

These services and the staff providing these services will transfer to the Trust

Team	Description	Current FTE	Current Value
<b>Adoption</b>	Central service – recruiting and matching potential adoptive families and post-adoption/Special Guardianship Order support. The DfE (Department for Education) are promoting Regional Adoption Agencies, and at a future point the Adoption service might move into any such agreed regional arrangements. The Children’s Trust would work with any new provider to ensure continuing close collaboration for children in care.	65.02	£7.967m
<b>Assessment and Short-Term Intervention (ASTI) teams</b>	In main area offices – good timely assessment of needs of children and their families referred and short-term solution-focused help to children and families.	124.33	£7.078m
<b>Child Protection chairs and Independent Review Officers, Local Authority Designated Officer (LADO), Disclosure team</b>	Statutory, regulatory functions in relation to child protection, child care review, and allegations against people working with children. The child licensing function will remain with the Council.	56.04	£3.525m
<b>Children in care teams</b>	In area main offices – supporting children in care into permanency or return home, including through family court process and up to 18 – includes specialist teams for unaccompanied asylum seeking children (UASC).	203.00	£59.730m
<b>Complaints service; quality assurance; policy; research; Principal Social Workers (PSWs)</b>	Quality assurance, staff development and learning functions.	10.00	£0.760m
<b>Disabled Children’s Social Care (DCSC)</b>	Disabled Children’s Social Care service is now part of Children’s Services but will continue to work closely with services that will not be in the trust (for example, SENAR (Special Educational Needs Assessment Review), Health and Adult services). The children’s occupational therapy service will remain within the Council, with the equipment and adaptations services.	46.18	£6.248m

## 2. Core Services – IN SCOPE

These services and the staff providing these services will transfer to the Trust

Team	Description	Current FTE	Current Value
<b>Family Support – intensive interventions with disadvantaged families</b>	Locality based – delivered by primarily non-social work qualified staff.	191.1	£6.168m
<b>Fostering</b>	Central service located with placements service – recruiting and supporting in-house foster carers to look after children in care.	82.62	£19.331m
<b>Leaving Care teams</b>	In area offices – supporting care leavers up to age 25. Working closely with children in care teams, but also with housing, skills and further education, to fulfil corporate parenting responsibilities.	37.38	£6.650m
<b>No Recourse to Public Funds team; Homeless young people’s team; Edge of Care teams; Rights and participation, Family group conferencing and contact/specialist assessment service.</b>	All of these teams are integral to the provision of statutory children’s social care services, including listening to children and families.	83.37	£7.720m
<b>Partnership management and development</b>	Trust support to Birmingham Safeguarding Childrens Board (BSCB) and to wider Birmingham Partnership work for children and families.	10.59	£0.429m
<b>Residential care homes for disabled children</b>	Four BCC residential homes for disabled children managed alongside Disabled Childrens Social Care (DCSC).	122.25	£5.957m
<b>Safeguarding teams</b>	In localities – long-term intensive child in need and child protection social work with the most disadvantaged families.	213.33	£20.260m

## 2. Core Services – IN SCOPE

These services and the staff providing these services will transfer to the Trust

Team	Description	Current FTE	Current Value
<b>Single point of entry for all contacts and referrals</b>	Children’s Advice and Support Service (CASS) and Multi-Agency Safeguarding Hub (MASH), including Emergency Duty Team for children.	77.57	£4.149m
<b>Therapeutic Emotional Support Service</b>	Mental health support primarily for children in care and foster carers.	27.41	£1.627m
<b>Workforce Development Team</b>	The Workforce Development team supports the training and development needs of all staff, including professional social work, across children’s services.	11.77	£0.917m
<b>Youth Offending Service (YOS)</b>	Statutory service provided in partnership, led by children’s service, working with young people in need and in care.	117.53	£3.964m
<b>TOTAL</b>		1,479.49	£162.50m

**3. Directorate Support Services – IN SCOPE****Proposed Delivery Model : *TRANSFER TO THE TRUST***

These services and the staff providing these services will transfer to the Trust

<b>Team</b>	<b>Description</b>	<b>Current FTE</b>	<b>Current Value</b>
<b>Birmingham Safeguarding Children Board (BSCB) support team</b>	The BSCB is the statutory board that holds partners to account for effective collaboration to safeguard and promote the wellbeing of all children in the city. The BSCB support team are managed within children’s services.	10.59	£0.43m
<b>Children’s Human Resources (HR)</b>	An HR function is required to manage HR, organisational development and organisational design for the Trust as well as provide professional HR advice to the Trust’s Board and senior management.	6.33	£0.327m
<b>Commissioning, Contracting and Placements</b>	Commissioning and managing contracts relating to placements for children in care and other specialist third sector services for children in need and their families. These are all commissioned services critical to the delivery of the children’s social care statutory function. This includes the Placements team that makes placements of children in care with external providers.	10.630	£0.602m
<b>Communications/Engagement Team</b>	A small resource to develop Trust internal staff communications and outward-facing communications to families, partners and the public.	1.00	£0.054m
<b>Finance Directorate Support</b>	The Trust’s financial team will provide internal budgeting, monthly budget analysis, and financial strategy advice to Trust senior staff and the Board. They will prepare annual accounts and submissions to statutory returns. They will also provide finance support to Trust contract and commissioning activities.	8.3	£0.39m

### 3. Directorate Support Services – IN SCOPE

#### Proposed Delivery Model : *TRANSFER TO THE TRUST*

These services and the staff providing these services will transfer to the Trust

Team	Description	Current FTE	Current Value
<b>Performance Data and Analysis Function</b>	The performance data and analysis function, drawing out and reporting management/ performance information for operational, monitoring and learning purposes is required. The performance function will deliver statutory returns as well as performance information back to the Council, as required in the service delivery contract.	13.14	£0.621m
<b>Professional Support Services</b>	Professional support services provide administrative support which is critical to the social work task and to all aspects of the child protection and child care system through to adoption.	327	£8.8m
<b>Programmes and Projects</b>	Programme and projects offer expertise to enable transformational change within your service areas. They ensure that programmes, projects or change reviews are effectively scoped, with clear aims, strong planning, effective stakeholder management, resource planning and sound and robust governance to drive progress.	4	£0.22m

### 3. Directorate Support Services – IN SCOPE

#### Proposed Delivery Model: **TO BE DECIDED**

These services will either be transfer or purchased.

Team	Description	Current FTE	Current Value
<b>Children’s Legal Advice</b>	Legal advice in Pre-PLO and PLO (care proceedings) including representation in the Family Court and work with other parties’ solicitors is a core function directly connected and integral to the social work task of the Children Act 1989. (PLO: Public Law Outline)	36.5	£1.68m
<b>Information Technology (IT) Support</b>	The Trust will develop its own IT strategy and needs an IT lead function. <i>We need to recognise that the Trust’s IT function will work closely with BCC IT on the implementation of the replacement of CareFirst and other systems so more discussion will be required.</i>	9.5	£0.447m

#### 4. Corporate Support Services – IN SCOPE

##### Proposed Delivery Model: **SERVICE LEVEL AGREEMENT (SLA)**

These services will be purchased from BCC via a service level agreement (and so staff in these services will remain within BCC) or a mix of purchase and transfer.

Team	Description	Current FTE	Current Value
<b>Corporate HR</b>	Corporate areas of expertise from the Corporate HR Service including, for example, Health and Safety. These services/activities will need to be defined and quantified with a SLA drawn up with the Trust.	N/A	£0.677m
<b>Corporate Legal Advice</b>	Strategic Legal function remains in BCC to hold the Trust to account and ensure it does not act ultra vires. Corporate Legal Service might provide legal advice and assistance to the Children’s Trust on statutory obligations, government guidance, disputes, contract and land concerns, employment issues, data law and other legal issues.	N/A	£0.27m
<b>Finance Shared Services</b>	The Shared Service team undertakes tasks such as Payroll/Pensions Accounts Payable; Accounts Receivable; Corporate Postings and Electronic scanning of paper documents.	N/A	£0.25m
<b>Financial Systems Support</b>	To assist with supporting the running of all finance systems (Voyager/Payroll/Invoices) for both internal and external organisations ensuring that BCC fulfil their financial management obligations.	N/A	£0.01m



#### 4. Corporate Support Services – IN SCOPE

##### Proposed Delivery Model: **SERVICE LEVEL AGREEMENT (SLA)**

These services will be purchased from BCC via a service level agreement (and so staff in these services will remain within BCC) or a mix of purchase and transfer.

Team	Description	Current FTE	Current Value
Internal Audit	The role of <i>internal audit</i> is to provide independent assurance that an organisation's risk management, governance and <i>internal</i> control processes are operating effectively.	N/A	£0.05m
IT Services	Information and Communications Technology (ICT) and delivery support to remain in BCC / Service Birmingham at this time. The Children’s Trust to be treated as a separate customer with its own specific needs and requirements with appropriate interfaces into BCC ICT team. These services/activities will need to be defined and quantified with a SLA drawn up with the Trust.  In addition the support to the children’s element of the CareFirst record management system and support to implement and maintain the new system which is to replace CareFirst is required.	N/A	£6.053m  subject to disaggregation and further review due to cross-BCC contracts  (nb this figure excludes CareFirst replacement development costs)
Media Support and Corporate Design	The Trust communications team will work closely with BCC press office when mutual media matters arise. Any media work from the Children’s Trust to be channelled through this team.	N/A	£0.015m
Procurement	The Procurement Service uses the bulk-buying power of the Council to negotiate competitive prices for good quality products and services.	N/A	£0.012m

**4. Corporate Support Services – IN SCOPE**

<b>Property Management</b>	The Property Management Team provides property advice and estate management for BCC buildings and Central Admin Buildings (CABs). It arranges accommodation moves and decommissioning of buildings.	N/A	£0.02m
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**5. Out of Scope**

These services and related staff will remain within BCC

Team	Description
<b>Early Years, school nursing and health visiting</b>	These services are currently subject to a large scale commissioning redesign. These services are at levels 1 (universal) and level 2 (universal plus) and are not part of the targeted levels 3 and 4 social care offer to families in greatest need.
<b>Education Services</b>	<p>Education has made significant improvement since 2014 and is on a good trajectory, validated by the final report of the Education Commissioner Sir Mike Tomlinson. Education remaining outside the Trust is a positive choice, reflecting the continued improvement within BCC and with existing partners (Services for Education (S4E) and Birmingham Education Partnership (BEP)).</p> <p>It is therefore recommended that the Council's statutory responsibilities for education, including its work with schools around school improvement, school places, tracking pupils, supporting schools to fulfil their range of safeguarding responsibilities, ensuring the full education offer for excluded children and those with Special Educational Needs/Education Health Care (EHC) plans are not part of the Trust.</p>
<b>Virtual School for children in care</b>	Discussions and feedback recognised that the Virtual School for children in care should remain part of the Education service.
<b>Child Licensing Service</b>	Approves applications from theatre, film, TV etc. for children to perform including during school term.
<b>Children’s Occupational Therapy (OT) Team</b>	OTs assesses the needs of children with disabilities for equipment and adaptations to support them at home. The equipment and adaptation services and the larger adult OT service are all in the Council.



## **BIRMINGHAM CITY COUNCIL**

# **BIRMINGHAM CHILDREN'S TRUST TRANSFER APPROACH OPTIONS APPRAISAL**

**4 July 2017**

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## Review and revision history

Version	Date	Revisions	Author
0.1	11Apr2017	First Draft – based on Legal paper (Appendix A)	Rob Barker (Legal input) John Sidebottom
0.2	12Apr2017	Includes first set of review comments from Seamus Gaynor	John Sidebottom
0.3	25April2017	Input provided from Design Authority (19April2017)	John Sidebottom
0.4	2May2017	Approved at DA on 2 May 2017 and copy provided to the unions on the same day (to be discussed at next union meeting on 16 May).	DA approved (no changes)
1.0	4 July	Elevate to version 1.0 for inclusion in the July Cabinet report	No changes

# 1 Introduction

This paper is the Options Appraisal for the Birmingham Children's Trust staff transfer approach, based on the January 2017 Cabinet approving the creation of the Trust as a Wholly Owned Company (WOC) of the Council and as a Community Interest Company (CIC).

## 2 Background

The two staff transfer approaches being considered are:

1. Staff Secondment
2. TUPE.

As a reminder (based on the January Cabinet Report) the case for making the WOC a CIC is that it counters some of the issues around accountability, control and operational independence than would otherwise be the case.

It establishes the clear intent from the very outset about the purpose of the Trust and establishes an asset lock.

That is:

- to protect its assets for community purposes
- surpluses are re-invested in the company or in the local community (cannot be returned to the Council)
- it has an asset lock, meaning that its assets can only be used for the good of the community; they may only be sold to another CIC or, if sold at full market value, the proceeds from the sale must be used for community purposes
- a Community Interest Company is obliged to pursue the community interest and has to report annually on how it does this to the CIC Regulator. A company satisfies the community interest test if a reasonable person might consider its activities are being carried out for the benefit of the community.

Making the WOC a CIC enforces independence from BCC at the outset and at the same time effectively closes down routes to privatisation. This is an important point in the context of an appraisal which includes TUPE, since common concerns about TUPE include exit/termination arrangements and any future concerns about transfers onto another supplier/company.

## 3 Evaluation Criteria

For the Cabinet Reports (September 2016 and January 2017), the criteria used to appraise all the Delivery Models were:

1. Can the model accommodate the scope?
2. Does the model provide the conditions for operational independence?
3. Are there risks associated with adopting this model which make it undeliverable?
4. Will the option incur significant and avoidable financial implications which would make the option unsustainable within existing levels of funding?

At June 2016 Council, a set of design principles were agreed and a sixth added subsequently as agreed by Cabinet on 26 July:

1. The Council must be able to sustain a focus upon the improvement in social work practice that is most needed by children and families. It should not pursue a trust option if that becomes a distraction from this task.
2. The Council must be able to design an organisational form that supports and develops the best social work support to children and families.
3. The Council must take responsibility for working with social work and related staff through this period. Their engagement and support is essential to any trust being a success. In particular it is

important to stress to full Council that we understand that social workers are a scarce resource and that the trust must be well placed to compete by at least matching and preferably bettering current terms and conditions.

4. The Council must engage and develop the trust model with partners.
5. The current financial plan and Council priority must be maintained through to at least 2020.
6. The level of accountability of the Trust to the Council will be defined broadly so that all Councillors continue to exercise their corporate parenting responsibilities and senior Trust managers report to the relevant Scrutiny Committee.

Additionally, the July 2016 Cabinet endorsed the “case for change”<sup>1</sup>, based on a number of barriers associated with keeping the services within Birmingham City Council. In summary, these were clustered into six areas:

01	Focus on children	<i>"We should have a clear purpose of why we are in children's services... if you were to ask 10 people in the service what their purpose is, each one should give the same answer"</i>
02	Partnering and commissioning	<i>"The board should challenge us when we aren't performing well, but they should challenge our partners too"</i>
03	Recruitment and retention	<i>"Our recruitment campaigns should be bold, brave and loud... the service should be seen as a great place for passionate and committed people to work"</i>
04	Workforce capability	<i>"Learning and development should follow a 'scaffold' approach, coupling theory and practice, whilst ensuring a continuous learning approach both in and out of the classroom. In short, we should follow the teaching hospital model"</i>
05	Organisational agility	<i>"We shouldn't be so distracted by external pressures like Ofsted inspections. Our service should always provide the support needed by families and children - using all of our staff to do so, not just social workers"</i>
06	Technology, digital and analytics	<i>"We should give ministers and Ofsted what they want, but our practice should be informed by the data which is most relevant to families and children"</i>

The report identified some critical success factors linked to each “area”. Critical success factors (CSFs) are the attributes required to create the environment for change in the new model.

The Cabinet report included: *“The CSFs ...have been generated from our data gathering and the problem analysis and they have been checked against the children's services design principles ...to ensure that the assessment of an appropriate model will provide an option that fits with the overall direction of travel of the service.”*

<sup>1</sup> Deloitte report: Birmingham children's services model, Case for change



The critical success factors need to be achieved in order to provide a step change in improvement for children's services.

*"The new Birmingham model will have the ability to remove barriers to improvement and sustain progress by optimising the system as a whole, rather than simply optimising the separate parts".*

As an extract from the Cabinet Report, the following table shows the map of barriers to critical success factors.

System challenge area ('Meeting the objective of improving...')	Critical success factor ('For the model to achieve the required step change, it should...')
<b>01 Focus on children</b>	<p>... allow for a governance structure and governance behaviours that support an uncompromised focus on good outcomes for children and young people</p> <p>... an organisational design that enables leadership and management autonomy for decision-making and accountability for the service</p>
<b>02 Partnering and commissioning</b>	<p>... enable the right services to be commissioned when and where required and at the right cost for children and families</p> <p>... permit a broad governance structure that establishes collaborative partner and inter-council relationships and provides challenge to the service</p>
<b>03 Recruitment and retention</b>	<p>... allow for dedicated, specialist recruitment resource and a children's services-specific recruitment strategy</p> <p>... allow for the creation and adoption of flexible packages of employment benefits</p> <p>... cater for a renewed focus on children's services</p>
<b>04 Workforce capability</b>	<p>... allow for a children's services-specific workforce strategy that incorporates a clear learning and development programme with career progression and a teaching and learning culture at its core</p>
<b>05 Organisational agility</b>	<p>... have the authority and ability to flex in response to changes in demand</p>
<b>06 Technology, digital and analytic</b>	<p>... allow operational staff to access and manipulate real-time data about the service, independent of the wider council</p> <p>... procure technology, digital and analytics that support innovation and service improvement for children's services without compromise</p>

## 4 The Options Appraisal

### 4.1 Notes

Based on the above, all these criteria will be applied to the transfer models:

- Evaluation Criteria (4 criteria)
- Design Principles (6 principles)
- The Critical Success Factors<sup>2</sup> (11 CSFs).

Notes:

- The Scoring Matrix below uses a score of 0-5:
  - 5 = best fit, fully satisfies criteria
  - 4 = mostly satisfies criteria
  - 3 = 50/50 fit
  - 2 = does not satisfy the criteria (only partly)
  - 1 = very poor fit (barely satisfies criteria or not at all)
  - 0 – not scored
- It assumes all areas of equal weighting
- This evaluation should be read in conjunction with Appendix A, which outlines the legal considerations for each of the transfer approaches.

### 4.2 The Evaluation Model and Score

In addition to the scoring matrix below, there are a number of other factors which will affect the ability of the Trust to deliver its services. These are noted below:

1. In relation to independence, this will be affected by a number of factors, not just the form of alternative delivery model which is adopted, namely:
  - **Corporate Governance/Structure;**
  - **Contractual independence** – this is how prescriptive or flexible is the contract with the Council for service delivery;
  - **Operational independence** – this is whether the new company has its own resources in terms of premises/ICT/service contracts/support staff to deliver the services or does it rely on the Council;
  - **Financial independence**- this is whether the new company services a single client, the Council, or whether it can generate income from other clients.

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<sup>2</sup> From the Deloitte work on options and barriers paper 5 July 2016. Including root causes.

2. There may need to be a distinction between day to day decision making, and the more strategic decisions. Whatever transfer approach is adopted the Council will need to be able to:-
- Comply with any DfE Direction;
  - Discharge its statutory functions;
  - Perform its Cabinet Member and Director of Children's Services statutory functions;
  - Facilitate performance of Overview and Scrutiny function.

This will necessarily impact (to a degree) upon independence.

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
<b>01</b> EVALUATION CRITERIA	Can the model accommodate the scope?	<ul style="list-style-type: none"> <li>Both approaches can support the scope for Core and Support Services.</li> </ul> <p>BOTH THE SAME SCORE</p>	5	<ul style="list-style-type: none"> <li>Both approaches can support the scope for Core and Support Services.</li> </ul> <p>BOTH THE SAME SCORE</p>	5
<b>02</b> EVALUATION CRITERIA	Does the model provide the conditions for operational independence?	<ul style="list-style-type: none"> <li>Creates a two-tier workforce with some staff (including management) being employed by the Trust and others by BCC wef April 2018</li> <li>This could create confusion and reduces the effectiveness of the Trust to manage staff to achieve the necessary outcomes and improve services</li> <li>BCC would constantly need to be consulted and involved, as an example, in such things as recruitment, pay &amp; reward, performance management, returning poorly performing staff to BCC and staff leaving (for whatever reason)</li> <li>The main purpose of the Trust (case for change) is to move the services and related staff away from BCC in order that performance barriers could be removed and services would improve under a new structure (secondment would jeopardise these main reasons for change)</li> </ul> <p>SECONDMENT UNDERMINES THE "CASE FOR CHANGE" AND DOES NOT PROVIDE OPERATIONAL INDEPENDENCE</p>	0	<ul style="list-style-type: none"> <li>This approach involves all staff transferred being employees of the Trust</li> <li>As such, they are accountable to the new Board and Management Team</li> <li>Staff are fully performance managed and rewarded within the Trust and the Trust can make its own decisions about its own workforce</li> <li>This is truly independent option when compared with secondment and supports the original "case for change"</li> </ul> <p>TUPE FULLY SUPPORTS FOR "CASE FOR CHANGE" AND OPERATIONAL INDEPENDENCE</p>	5

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
03 EVALUATION CRITERIA	Are there risks associated with adopting this model which make it undeliverable?	<ul style="list-style-type: none"> <li>As at 02 EVALUATION CRITERIA above performance management and operational independence are much more difficult under this approach and given that it undermines the “case for change” to move services away from BCC control and direct influence makes this approach undeliverable</li> <li>Combined with a clear steer from DfE that secondment would be an unacceptable approach for BCC in creating the Trust.</li> </ul> <p>SECONDMENT WOULD MAKE THE VOLUNTARY TRUST UNDELIVERABLE</p>	0	<ul style="list-style-type: none"> <li>The Trust would be in charge of its own destiny with this approach, subject to compliance with and delivery of the outcomes in the contract</li> </ul> <p>THIS IS A DELIVERABLE APPROACH AND TRIED AND TESTED ELSEWHERE WITH OTHER TRUSTS</p>	5
04 EVALUATION CRITERIA	Will the option incur significant and avoidable financial implications which would make the option unsustainable within existing levels of funding?	<ul style="list-style-type: none"> <li>No financial implications as such, but makes the whole financial landscape more complicated in terms of who pays for what and who is liable for what?</li> <li>Instead of the Trust having a whole budget to manage its own affairs it would have to be split and managed differently according to which staff transfer, by which method and how support services are managed</li> <li>There are VAT implications associated with support services adopting this approach (see Appendix A)</li> </ul> <p>THE VAT OPTIONS MAKE THIS AN UNVIABLE OPTION</p>	0	<ul style="list-style-type: none"> <li>Under TUPE the approach needs to safeguard existing T&amp;Cs and Pension rights. This is an approach BCC are familiar with and have undertaken before</li> </ul> <p>STRONGER OPTION, BUT STILL COMPLEXITIES TO MANAGE</p>	4
01 DESIGN PRINCIPLES	The Council must be able to sustain a focus upon the improvement in social work practice that is most needed by children and families. It should not pursue a trust option if that becomes a distraction from this task	<ul style="list-style-type: none"> <li>A mixed (2-tier) model is less clear here and it would be a distraction to expend management time and effort on this rather than improving services</li> <li>It would also be a distraction to second staff now and TUPE at a later date – an unwelcome step when in a few years there will be another OFSTED inspection</li> </ul> <p>A DISTRACTION TO MANAGE THIS MODEL AND POSSIBLY CHANGE TO TUPE IN THE FUTURE</p>	3	<ul style="list-style-type: none"> <li>The preferred option here is to have a single purpose vehicle, with a clear identity which all staff can relate to, and be a party to improving</li> <li>The Trust “case for change” is clear in this regard and TUPE from day 1 provides a clearer identity and approach</li> </ul> <p>STRONGER STABLE OPTION FROM DAY 1</p>	5

APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
<b>02</b> DESIGN PRINCIPLES	The Council must be able to design an organisational form that supports and develops the best social work support to children and families	A mixed employer and 2-tier model is not the best organisational form for a Trust which was created to be a single purpose vehicle away from BCC to focus on improving children's social care and related services  LOWER SCORE FOR SECONDMENT AND THE MIXED MODEL	3	A mixed employer and 2-tier model is not the best organisational form for a Trust which was created to be a single purpose vehicle away from BCC to focus on improving children's social care and related services  A SINGLE, TUPE MODEL IS THE STRONGER OPTION HERE	5
<b>03</b> DESIGN PRINCIPLES	The Council must take responsibility for working with social work and related staff through this period. Their engagement and support is essential to any trust being a success. In particular it is important to stress to full Council that we understand that social workers are a scarce resource and that the trust must be well placed to compete by at least matching and preferably bettering current terms and conditions	Deliverable under both transfer options, T&C changes would require full consultation and involvement of BCC since the Trust is a WOC of BCC  SAME SCORE	5	Deliverable under both transfer options, T&C changes would require full consultation and involvement of BCC since the Trust is a WOC of BCC  SAME SCORE	5
<b>04</b> DESIGN PRINCIPLES	The Council must engage and develop the trust model with partners	Deliverable under both transfer options  SAME SCORE	5	Deliverable under both transfer options  SAME SCORE	5
<b>05</b> DESIGN PRINCIPLES	The current financial plan and Council priority must be maintained through to at least 2020	Deliverable under both transfer options  SAME SCORE	5	Deliverable under both transfer options  SAME SCORE	5

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
06 DESIGN PRINCIPLES	The level of accountability of the Trust to the Council will be defined broadly so that all Councillors continue to exercise their corporate parenting responsibilities and senior Trust managers report to the relevant Scrutiny Committee.	Deliverable under both transfer options  SAME SCORE	5	Deliverable under both transfer options  SAME SCORE	5
01 FOCUS CHILDREN	ON ...allow for a governance structure and governance behaviours that support an uncompromised focus on good outcomes for children and young people  <i>Root Cause analysis (Deloitte paper): ... a lack of an effective, and overarching, governance structure across the council</i>	<ul style="list-style-type: none"> <li>Governance structure is achievable under both transfer options, but secondment (due to the Operational issues identified above at 02 EVALUATION CRITERIA) will make the "single focus" of the Trust more difficult to deliver</li> </ul> MORE DIFFICULT	3	<ul style="list-style-type: none"> <li>Governance structure is achievable under both transfer options, but secondment (due to the Operational issues identified above at 02 EVALUATION CRITERIA) will make the "single focus" of the Trust more difficult to deliver</li> </ul> EASIER TO ESTABLISH AND DELIVER	5

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
01 FOCUS ON CHILDREN	<p>... an organisational design that enables leadership and management autonomy for decision-making and accountability for the service</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... the large remit of leadership roles across children's services and the people directorate</p>	<ul style="list-style-type: none"> <li>Organisation design is achievable under both transfer options, but secondment (due to the Operational issues identified above) will make decision-making and accountability more difficult for secondment</li> </ul> <p>MORE DIFFICULT</p>	3	<ul style="list-style-type: none"> <li>Organisation design is achievable under both transfer options, but secondment (due to the Operational issues identified above) will make decision-making and accountability more difficult for secondment</li> </ul> <p>EASIER TO DEFINE AND DELIVER</p>	5
02 PARTNERING AND COMMISSIONING	<p>... enable the right services to be commissioned when and where required and at the right cost for children and families</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... commissioning strategy is not clearly understood or embedded in operational activity</p>	<ul style="list-style-type: none"> <li>Despite the operational independence problems with secondment this should be deliverable under both transfer options</li> </ul> <p>SAME SCORE</p>	5	<ul style="list-style-type: none"> <li>Despite the operational independence problems with secondment this should be deliverable under both transfer options</li> </ul> <p>SAME SCORE</p>	5

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
<b>01</b> FOCUS ON CHILDREN <b>02</b> PARTNERING AND COMMISSIONING <b>05</b> ORGANISATIONAL AGILITY	... permit a broad governance structure that establishes collaborative partner and inter-council relationships and provides challenge to the service  <i>Root Cause analysis (Deloitte paper): inadequate sense of shared vision and clarity and;  ... often ineffective or overly complex processes and;  ... inadequate integration between council services</i>	Inter-Council relationships would be far more complicated under this option in terms of who works for whom, who pays for what and lack of dedicated support services  MORE DIFFICULT TO DELIVER	3	A single company and single employer entity would allow governance to be clear and unambiguous driven via a single Trust strategy and approach (and not have to address the issues of a 2-tier workforce based on multiple employers)  CLEARER DELIVERY OPTION	5
<b>03</b> RECRUITMENT AND RETENTION	... allow for dedicated, specialist recruitment resource and a children's services-specific recruitment strategy  <i>Root Cause analysis (Deloitte paper): ... lack of HR capacity</i>	There are currently dedicated recruitment resources in place as part of service improvement. There would not be a dedicated retention capability under this approach and this is one of the current barriers to service improvement  NOT FULLY VIABLE UNDER THIS APPROACH	3	There are currently dedicated recruitment resources in place as part of service improvement. The Trust would be able to adopt its own retention strategy under this approach  ONLY VIABLE OPTION HERE	5



APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
03 RECRUITMENT AND RETENTION	<p>... allow for the creation and adoption of flexible packages of employment benefits</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... an unattractive total reward package, and; ... BCS being unable to change the existing T&amp;Cs</p>	<ul style="list-style-type: none"> <li>As per the January Cabinet Report analysis of WOC vs Mutual, all options require adherence to BCC T&amp;Cs</li> <li>The Trust would need to follow the BCC approach to change any reward packages for employment and would not be any more able to do so, than BCC</li> <li>Note: this is consistent with the evaluation and scoring in the January options appraisal for WOC vs Mutual</li> </ul> <p>SAME SCORE</p>	3	<ul style="list-style-type: none"> <li>As per the January Cabinet Report analysis of WOC vs Mutual, all options require adherence to BCC T&amp;Cs</li> <li>The Trust would need to follow the BCC approach to change any reward packages for employment and would not be any more able to do so, than BCC</li> <li>Note: this is consistent with the evaluation and scoring in the January options appraisal for WOC vs Mutual</li> </ul> <p>SAME SCORE</p>	3
03 RECRUITMENT AND RETENTION	<p>... cater for a renewed focus on children's services</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... cater for a 'clean break' from the past, representing a fresh start for Children's Services</p> <p>... <i>Birmingham's enduring reputation</i></p>	<ul style="list-style-type: none"> <li>This is possible with both approaches, however in this instance with the issues identified above with Operational Independence there would be confusion about who works for whom</li> </ul> <p>LOWER SCORE THAN TUPE</p>	3	<ul style="list-style-type: none"> <li>A single employer, single approach would have a clearer identity which staff could relate to and all staff would be a party to ensuring it happened (common goals and interest)</li> </ul> <p>A STRONGER APPROACH THAN SECONDEMENT</p>	5

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
04 WORKFORCE CAPABILITY	<p>... allow for a children's services-specific workforce strategy that incorporates a clear learning and development programme with career progression and a teaching and learning culture at its core</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... managers not proactively spending time on staff development, and; ... training being inconsistently embedded in practice</p>	<ul style="list-style-type: none"> <li>Not independent from BCC, any workforce strategy would need to be agreed with BCC and BCC would need to be fully "involved"</li> </ul> <p>NOT INDEPENDENT FROM BCC</p>	0	<ul style="list-style-type: none"> <li>Independent from BCC and provides the Trust with the ability to run with its own workforce strategy</li> </ul> <p>INDEPENDENT FROM BCC</p>	5
05 ORGANISATIONAL AGILITY	<p>... have the authority and ability to flex in response to changes in demand</p> <p><i>Root Cause analysis (Deloitte paper):</i> ... staff deployment being inflexible</p>	<ul style="list-style-type: none"> <li>No, would need to consult BCC to flex the workforce related to staff seconded from BCC (the same issue as lack of Operational Independence)</li> </ul> <p>NOT A FLEXIBLE APPROACH</p>	0	<ul style="list-style-type: none"> <li>Yes, the Trust would be fully in charge of its services, workforce and how it uses support services within the context of the contract agreed with BCC</li> </ul> <p>PROVIDES THE TRUST WITH MAXIMUM FLEXIBILITY (ALBEIT AS A WOC)</p>	5

APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

CHILDREN'S TRUST – STAFF TRANSFER APPROACH – EVALUATION AND SCORING MATRIX					
AREA/REFERENCE	CRITERIA	SECONDMENT	Score	TUPE	Score
06 TECHNOLOGY, DIGITAL AND ANALYTIC	<p>... allow operational staff to access and manipulate real-time data about the service, independent of the wider council</p> <p><i>Root Cause analysis (Deloitte paper): corporate IT does not have an exclusive focus on children's services and; ... insufficient time spent mining children's services related data</i></p>	<ul style="list-style-type: none"> <li>Not dependent on the transfer approach taken, so not applicable</li> </ul> <p>NOT APPLICABLE</p>	0	<ul style="list-style-type: none"> <li>Not dependent on the transfer approach taken, so not applicable</li> </ul> <p>NOT APPLICABLE</p>	0
06 TECHNOLOGY, DIGITAL AND ANALYTIC	<p>... procure technology, digital and analytics that support innovation and service improvement for children's services without compromise</p> <p><i>Root Cause analysis (Deloitte paper): ... a cumbersome procurement process that delays improvement and innovation</i></p>	<ul style="list-style-type: none"> <li>Not dependent on the transfer approach taken, so not applicable</li> </ul> <p>NOT APPLICABLE</p>	0	<ul style="list-style-type: none"> <li>Not dependent on the transfer approach taken, so not applicable</li> </ul> <p>NOT APPLICABLE</p>	0
TOTAL SCORE			54		92
%SCORE (excluding those areas not scored, max score 95)			57%		97%

### 4.3 Conclusions and Preferred Model

Based on the Evaluation Score (57% vs 97%) the “best transfer approach” is the TUPE.

Notwithstanding the significant difference in scoring, there are important factors related to secondment that make it an unviable approach:

- it jeopardises and undermines all the main points in the original “case for change” for the Trust
- it does not allow for full operational independence from BCC
- it makes delivery of the Trust and its outcomes more difficult to achieve (and a distraction) to delivery of the changes and improvements needed (including removal of barriers)
- it creates a confusing environment for staff and management because of the 2-tier workforce with multiple employers. A distraction from the main task of improving social care
- there are financial and VAT implications
- DfE would not support a secondment approach. BCC are currently under intervention and as such DfE need to be fully on board with how the Trust is set up and organised operationally. A secondment approach would probably result in DfE mandating the approach BCC should take to create and organise the Trust operationally.

This evaluation does not take account of the views of unions or staff and any concerns therefore need to be addressed. It is purely an options appraisal based on the criteria agreed in the previous Cabinet Reports supporting creation of the Trust.

It is important to include in union and staff engagement regarding the clear reasons for TUPE being the preferred and recommended option in terms of supporting of the “case for change” and creation of the Trust.

### 4.4 Recommendation

That TUPE is included in the July 2017 Cabinet report as the preferred and recommended approach for the transfer of BCC staff to the Trust at April 2018.

That steps and plans are included to address, as far as possible, any union and staff concerns with this recommendation.

## APPENDIX A – ANALYSIS OF IMPLICATIONS OF EMPLOYMENT OPTIONS

ISSUE NO	ISSUE	TUPE	SECONDMENT
1	DEFINITION	The transfer of the employment of an employee from a transferor or employer to a transferee employer. The transfer is of the contractual rights and obligations of both the transferor employer to the transferee employer. The transfer is by operation of law as a consequence of either the transfer of an undertaking or a service provision change.	A secondment is the making available by an employer of an employee (a secondee) to work for a host organisation under their supervision. The employer, and not the host organisation, remains the employer of the secondee.
2	STATUTORY BASIS	The Transfer of Undertakings (Protection of Employment) Regulations 2006 SI 2006 No 246 ( <b>TUPE</b> ) and also Council Directive 2001/23/EC on the approximation of the law relating to business transfers	Section 112 Local Government Act 1972 together with Section 111 Local Government Act 1972.
3	EFFECTIVENESS	<p><u>This is a critical issue as if the employment solution is not effective then if there is a real risk of it unravelling during the life of the Children's Trust then it may undermine the viability of the services.</u></p> <p>As it arises as a matter of law it is not dependent on an agreement for it to take effect. However it is necessary to determine whether what is proposed may trigger TUPE is either the transfer of an undertaking or a service provision change. If either applies then employees who are assigned to the undertaking/service will transfer. If they object to the proposed transfer then that objection may be taken by the transferor employer as a resignation. Whilst there may be disputes, resulting in applications to the Employment Tribunal to determine whether an employee is within the scope of a TUPE transfer, once the TUPE transfer has taken effect and the transferred employee is working for the transferee employer, there is no real risk of any unravelling of that new employment relationship.</p> <p>Also Regulation 18 TUPE and Section 203 Employment Rights Act 1996 preclude contracting out of the application of TUPE which strengthens the certainty TUPE is designed to achieve.</p>	<p><u>This is a critical issue as if the employment solution is not effective then if there is a real risk of it unravelling during the life of the Children's Trust then it may undermine the viability of the services.</u></p> <p>In <b>Celtec-v-Astley</b> [2006] the Department of Employment attempted to avoid a TUPE transfer of staff to a newly created Training and Enterprise Council in 1990. The DoE informed staff they were being seconded. There was no dispute until redundancies occurred at a later date. Both the UK House of Lords and the European Court of Justice determined that there had been a TUPE transfer in 1990.</p> <p>Since then the <b>Retention of Employment (RoE) model</b> has been developed in the health sector. This is a 3 Stage process.</p> <ul style="list-style-type: none"> <li>At Stage 1 following consultation the affected employees decide to opt-out of the transfer of their employment to a new service provider. Such opt-out has to be communicated prior to the transfer date.</li> <li>Stage 2 takes place at the same time as Stage 1 and comprise the employees accepting an offer of re-engagement by their employer. They are re-engaged immediately on the transfer taking effect on their pre-existing terms and conditions of</li> </ul>

APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

ISSUE NO	ISSUE	TUPE	SECONDMENT
			<p>employment (subject to Stage 3).</p> <ul style="list-style-type: none"> <li>Stage 3 is the secondment by the employer of the employees to the new service provider.</li> </ul> <p><b>There is no case law which has ruled on the effectiveness of RoE.</b></p> <p>In <b>Capita Health Solutions –v- BBC and McLean</b> [2008] M was employed as an occupational health nurse. This function was transferred to Capita in 2006. Prior to this M had objected to the transfer. The BBC gave her the option of a reduced notice period on secondment to Capita. M agreed. The Employment Appeal Tribunal decided that M's employment had transferred to Capita as she had not validly objected to the transfer. The EAT stated at Paragraph 44 of its judgment:-</p> <p>“What has happened was not secondment in its proper sense, which connotes a temporary assignation regarded, at least at its outset, as being on the basis that the employee will return to work directly for the seconding employer. It was never intended that this would happen. The [BBC] had, post transfer, no requirement for [M] to carry out work of the type she had carried out for them prior to the transfer. Their whole requirement for occupational health services were, post transfer, to be carried out by [Capita] for a period of ten years. They no longer maintained any such unit within their organisation. There was no work for her to do within the [BBC's] organisation after 1 April 2006.”</p> <p>In <b>Fitton –v- City of Edinburgh Council</b> Dr Fitton was seconded from the Council to Edinburgh Lifelong Partnership (ELP) on what was at the outset a short-term secondment. This was later changed at her request to an indefinite arrangement. It was made clear to her that she could not return to her pre-secondment post at Edinburgh. The EAT determined that her employment was with ELP not Edinburgh.</p>
4	FINANCIAL IMPLICATIONS	The Council will ordinarily enter into a pension admission agreement, as transferor employer, with the transferee employer and Wolverhampton City Council (WCC) as administering authority to the West Midlands Pension Scheme. This is designed	The Council would as employer pay the employment costs of the secondees. The Council may in turn seek reimbursement from the Children's Trusts of the employment costs. <b>There would be a VAT payable by the Children's Trust in respect of the services of the secondees.</b>

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ISSUE NO	ISSUE	TUPE	SECONDMENT
		<p>to ensure that transferring employees who are members of WMPS may continue in the scheme following their transfer. There are consequent financial consequences:-</p> <ul style="list-style-type: none"> <li>• The transferee will need to pay WCC the cost of an actuarial assessment to determine the employer's pension contributions to be paid by the transferee employer in respect of the profile of transferring employees;</li> <li>• The transferee's pension contributions in respect of the transferring employees may be different and higher than those of the Council;</li> <li>• There may be a deficit to be funded on the expiry of the pension admission agreement.</li> <li>• There would also be the cost of the Children's Trust securing of a pension admission agreement bond if this was required by the Council.</li> </ul>	
5	NEW JOINERS/TWO TIER WORKFORCE	If the Trust has a group of employees who have transferred to it under TUPE and then recruits such additional employees as it requires to perform the Children's Services [e.g. where any of the original transferring employees leave or it determines it needs new joiners to undertake different roles] then the Trust can minimise the risk of different employees/groups of employees being employed on different terms and conditions of employment.	If the Trust has a group of employees who are seconded to it by the Council and has in addition its own directly employed employees (whether recruited before or after 1 April 2018) there will be a two tier workforce. This means that the Trust will need to manage any tensions between different groups of staff [ e.g. different entitlements to benefits] which may arise on account of there being employed by two different employers.
6	CHANGES TO TERMS AND CONDITIONS OF EMPLOYMENT.	The Children's Trust as employer may be in a better position to build up a material defence factor and objective justification to warrant changes to the terms and conditions of their employees.	As the seconded employees will continue to be employed by the Council then the Council will be in no different position that it is currently with being able to justify to build up a material defence factor and objective justification to warrant changes to the terms and conditions of those employees.

APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

ISSUE NO	ISSUE	TUPE	SECONDMENT
7	INDEPENDENCE OF TRUST	If the Children's Trust has control as employer over the workforce that is undertaking the Children's Services, then this is a material factor in giving the Trust greater independence.	As the Children's Trust will not be the employer of the seconded employees it will not have then this will necessarily adversely impact upon the independence of the Children's Trust.
8	SUFFICIENCY RISK	If the Children's Trust employs any new employs it needs following the initial TUPE transfer on 1 April 2018 (instead of relying on recruitment by the Council and secondment to the Children's Trust) then this additionally reinforces the independence of the Trust.	Equally if the Children's Trust has to rely on the Council recruiting and seconding any further secondees that the Children's Trust requires following the initial secondment on 1 April 2018 (whether such need arises from secondees leaving the Council's employment or secondees returning to the Council's direct supervision on account of their performance) then this will equally adversely impact upon the independence of the Children's Trust.
9	PERFORMANCE RISK	If the Children's Trust employ their employs then they will be able to effectively manage the performance of their employees.	The Council as employer would ordinarily be expected to deal with any management issues concerning the employee which arise during the secondment period. This would include performance issues, pay review and award, annual sick or other leave, complaints and grievances. The Children's Trust may properly wish to terminate an individual secondment if that secondee fails to adequately perform the services for which they are responsible or reaches a particular stage under the Council's disciplinary procedure. This would result in firstly that secondee returning to the Council's management where the Council may not have a role for that employee and secondly, if the Council remains responsible for resourcing, the Council being responsible to recruit a suitable replacement.
10	EXIT RISK	Where the Council outsources a service and TUPE applies it will ordinarily include a standard provision set of exit provisions in respect of employees. This will be to the effect that on termination or expiry of the agreement the Council will endeavour to ensure that there is a TUPE transfer of the employees performing the services at termination or expiry so that they either transfer to any successor service provider, or where there is no new successor service provider, they are insourced to the Council under TUPE. Whilst, as with the original outsourcing there may be disputes as to whether certain employees are assigned to the undertaking/service, the uncertainty as to the applicability of TUPE is substantially reduced.	The trigger events which result in an individual secondment ending would need to be carefully considered as well as what is the position of a secondee. For instance if the secondee returns to the Council's supervision and management:- <ul style="list-style-type: none"> <li>• Will they return to their original or another post?</li> <li>• Will their time served on secondment be reflected in progression within the Council?</li> <li>• What will happen if there is no post for the secondee to return to?</li> </ul>



APPENDIX 2 - BIRMINGHAM CHILDREN'S TRUST: – TRANSFER APPROACH OPTIONS APPRAISAL

ISSUE NO	ISSUE	TUPE	SECONDMENT
11	LEGAL CONSTRAINTS IN RESPECT OF PARTICULAR FUNCTIONS	The Children and Young Persons Act 2008 excludes delegation of IRO functions and of adoption agency functions unless the other party to CYPA already excludes delegation of independent reviewing officer functions, and of adoption agency functions unless the other party to the arrangement is a registered adoption society.	To the extent that a function may be performed by a Council officer it may continue to be performed by a Council officer as secondee. The terms of that officer's individual secondment may need to specifically address the performance of that role so that any assistance the secondee needs from the Council to discharge that function is identified.



**THIS MEMORANDUM OF UNDERSTANDING** is made on

2017

**BETWEEN:**

- (1) **THE SECRETARY OF STATE FOR EDUCATION** of Great Smith Street, London, SW1P 3BT (the "**Secretary of State**") acting through Dave Hill of County Hall, Market Road, Chelmsford, CM1 1QH in his capacity as the Commissioner for Children's Social Care in Birmingham; and
- (2) **BIRMINGHAM CITY COUNCIL** of Council House, Victoria Square, Birmingham, B1 1BB (the "**Council**"),

each a "**Party**" and together the "**Parties**".

## **1 BACKGROUND AND PURPOSE**

- 1.1 Following a series of earlier statutory directions, on 25 November 2016 the Secretary of State issued a statutory direction (the "**First Direction**" for the purposes of this Memorandum of Understanding) to the Council pursuant to Section 497A(4B) of the Education Act 1996 (a copy of which is set out in Appendix A). The purpose of the First Direction is to secure improvements in the performance of the Council's children's social care functions. Pursuant to the First Direction the Secretary of State also appointed a new Commissioner for Children's Social Care in Birmingham (the "**Commissioner**") for the specific purposes specified in the First Direction.
- 1.2 The intention of the Secretary of State is to issue a second statutory direction under Section 497A(4B) of the Education Act 1996 (the "**Second Direction**") immediately prior to the completion of the Service Delivery Contract (as defined in paragraph 1.4 below). In view of the agreed position set out in this Memorandum of Understanding ("**MoU**"), the intention of the Second Direction is to acknowledge that the Council has voluntarily elected to transfer the provision of the relevant children's social care functions to the Trust. For the purposes of this MoU, the First Direction and Second Direction are referred to collectively herein as "**the Directions**".
- 1.3 As part of the Council's initiative to secure improvements in the performance of its children's social care functions, and in consultation with the Commissioner and the Department for Education, the Council has elected to voluntarily establish a wholly-owned and '*Teckal*' compliant company to perform specified children's social care functions on behalf of the Council in the city of Birmingham (see paragraph 6 below for further detail on '*Teckal*' compliance).

- 1.4 Notwithstanding the new organisation being a wholly-owned '*Teckal*' compliant company, it will have day-to-day operational independence from the Council in respect of the day-to-day management and performance of these functions, which will be managed and regulated pursuant to an arm's length contract to be entered into between the Council and the new organisation for these purposes, as more particularly described in paragraph 7 below (the "**Service Delivery Contract**"). The Council shall remain statutorily responsible and accountable for the performance of its children's social care functions and shall correspondingly hold the new organisation to account for any such functions it is performing on the Council's behalf pursuant to the terms of the Service Delivery Contract.
- 1.5 On 24 January 2017 the Council's Cabinet approved outline proposals for the voluntary establishment of the new organisation, to be called Birmingham Children's Trust Community Interest Company (herein referred to as the "**Trust**"), to deliver specified children's social care functions within the ambit of the First Direction (the "**Relevant Functions**") on behalf of the Council. The proposed new organisational model of the Trust and the current list of children's social care services that the Council proposes to transfer to the Trust are more particularly described in paragraphs 6 and 7.2 respectively.
- 1.6 On 9 May 2017, and for present purposes, the Trust was incorporated as a company limited by guarantee with the Council as its sole member and the Chair (as defined in paragraph 3.4(a) below) as its sole director.
- 1.7 The Parties have now agreed to enter into this MoU to record the following matters:
- (a) the establishment of the Trust to enable the development and delivery of high quality and innovative children's social care services that meets the requirements of the Directions and the needs of children, young people and their families in the city of Birmingham;
  - (b) the overarching agreed principles regarding the proposed:
    - (i) legal form of the Trust;
    - (ii) corporate governance of the Trust; and
    - (iii) operational framework within which the Trust shall operate and be held accountable, which will address key aspects of the proposed Service Delivery Contract, including matters relating to agreeing the Trust's proposed budget and the scope of children's social care services that it will be delivering;

- (c) the proposed timetable from the signing of the MoU, through to the formal operation of the Trust on 1 April 2018 (the "**Service Commencement Date**"), when it will formally commence the performance of the Relevant Functions on behalf of the Council pursuant to the Service Delivery Contract; and
- (d) the commitments of each Party in relation to the transition of children's social care and related services to the Trust (the "**Programme**") and the processes and structures that they will put in place to periodically and effectively review, monitor and manage progress in accordance with the agreed timetable.

1.8 The MoU is intended to be *inter alia* a high-level roadmap for the Programme which outlines the key stages of the Programme, its key milestones and its key documental outputs.

1.9 The Parties do not intend this MoU to be legally binding or to create legal relations between them. The Parties agree that they will use all reasonable endeavours to comply with the terms and the spirit of this MoU.

## **2 TERM**

2.1 This MoU shall come into effect on the date set out at the beginning of it, which shall be the date that it is signed by both Parties and, subject to paragraph 1.9, shall remain in full force and effect until the earlier of:

- (a) the Service Commencement Date; or
- (b) the date on which this MoU is terminated by either Party notifying the other Party of such termination in writing,

the "**Term**".

## **3 KEY REPRESENTATIVES**

3.1 During the Term the Parties shall (and shall procure that their key representatives for this Programme, as identified in this paragraph 3) work closely together in good faith, and in a collaborative and cooperative manner, in order to achieve the establishment of the Trust and the delivery of the Programme in accordance with the timetable set out in paragraph 10.

3.2 The key representatives of the Secretary of State for this Programme shall be:

- (a) the Commissioner (who shall perform the role as set out in the First Direction); and
- (b) a senior civil servant in the Department for Education (as notified to the Council by the Department for Education from time to time).

- 3.3 The key representatives of the Council for this Programme shall be:
- (a) Stella Manzie (in her capacity as Chief Executive of the Council and Senior Responsible Officer for the Programme); and
  - (b) Colin Diamond (in his capacity as the Director of Children's Services).
- 3.4 The Parties acknowledge and agree that the key representatives of the Trust for this Programme shall be:
- (a) Andrew Christie in his capacity as Chair of the Trust (or his replacement from time to time during the Term) (the "**Chair**"); and
  - (b) Andy Couldrick in his capacity as Chief Executive of the Trust (or his replacement from time to time during the Term) (the "**Trust Chief Executive**").

#### **4 KEY STAGES OF THE PROGRAMME**

- 4.1 The Programme has two distinct key stages:
- (a) the "**Shadow Period**" – being the period from 1 April 2017 up until the Service Commencement Date; and
  - (b) the "**Operational Period**" – which is the period on and from the Service Commencement Date when all relevant staff will be transferred to the Trust and the Trust will become fully operational and responsible for the performance of the Relevant Functions pursuant to the Service Delivery Contract.

##### The Shadow Period and Key Documents

- 4.2 During the Shadow Period the Council shall work collaboratively with the Trust (and in consultation with the Secretary of State) to:
- (a) create an environment to enable the development and delivery of high quality and innovative approaches to meeting the needs of children, young people, and their families, that is aimed at meeting or exceeding the service outcomes that will form part of the Service Delivery Contract;
  - (b) enable the Council and the Designated Trust Board (as defined in paragraph 4.5 below) to test and validate any proposed ways of working to ensure that:
    - (i) the Trust will become a robust organisation in order to be able to achieve the necessary improvements in the services and be ready to commence the performance of the Relevant Functions at the Service Commencement Date; and

- (ii) the Council designs, establishes and develops an appropriate internal contract management function (the "**Intelligent Client Function**") that is tasked with monitoring the Trust's performance of the Relevant Functions pursuant to the Service Delivery Contract but which does not serve to fetter the operational independence of the Trust;
- (c) test and refine proposed governance, assurance and commissioning arrangements ahead of the Service Commencement Date so that such arrangements are sufficiently mature and developed for inclusion in the Service Delivery Contract;
- (d) define a set of behaviours and values to underpin the way the Council and the Trust will work together in respect of the Trust's performance of the Relevant Functions during the Operational Period, and which supports the development and establishment of a collaborative relationship between the Council and the Trust which achieves an appropriate balance between the need for:
  - (i) the Council to be satisfied that the Trust is appropriately performing the Relevant Functions on its behalf as the Council remains statutorily responsible and accountable for the performance of such functions; and
  - (ii) the Trust to have unfettered day-to-day operational independence in respect of its performance and discharge of the Relevant Functions; and
- (e) develop the following key documents:
  - (i) an appropriately balanced Service Delivery Contract pursuant to which the Trust will commence the performance of the Relevant Functions on and from the Service Commencement Date;
  - (ii) a set of revised articles of association of the Trust (the "**Articles**") which will *inter alia* regulate the internal affairs of the Trust and in particular will govern the relationship between the Council (as member of the Trust) and the Trust's board of directors in respect of the operation and management of the Trust; and
  - (iii) a business plan for the Trust (which shall incorporate the proposed service improvement actions of the Trust as an important component) (the "**Business Plan**").

4.3 In addition to the development of the Service Delivery Contract, the Articles and the Business Plan as described in paragraph 4.2(e) above, during the Shadow Period the Parties shall also develop the Governance Side Agreement (which is more particularly described and defined in paragraph 6.15 below).

- 4.4 Although the Service Delivery Contract, the Articles, the Business Plan and the Governance Side Agreement are developed between the Council, Trust and the Secretary of State (as applicable) during the Shadow Period, these documents shall only have legal effect once agreed and/or executed (as applicable) by the relevant parties, which shall be on a date on or around the Service Commencement Date.

The Designated Trust Board

- 4.5 During the Shadow Period the constitution of the board of directors of the Trust will commence in accordance with paragraphs 6.5 and 6.6 below, and individuals will be appointed to their designated posts on the board of directors of the Trust (the "**Designated Trust Board**"). Subject to paragraphs 4.6 to 4.8 (inclusive) below, the Council will continue to directly perform and discharge the Relevant Functions, and such functions will not be performed and discharged by the Trust (or the Designated Trust Board) until the Service Commencement Date and the Trust will not be operational during the Shadow Period.
- 4.6 During the Shadow Period the Council shall, pursuant to a scheme of delegation in accordance with section 101 of the Local Government Act 1972, delegate the discharge of the Relevant Functions to the Trust Chief Executive. The scheme of delegation will deal with *inter alia* the relationship between the Trust Chief Executive and other council officers in respect of the discharge of the Relevant Functions during the Shadow Period. The Council acknowledges that the Designated Trust Board has a vital role to play in the designing and shaping of the children's social care services that the Trust will be performing on behalf of the Council on and from the Services Commencement Date and that the Designated Trust Board will have an advisory role to the Trust Chief Executive in his discharge of the Relevant Functions during the Shadow Period.
- 4.7 The arrangements relating to the Trust Chief Executive and the Designated Trust Board described in paragraphs 4.5 and 4.6 above are intended to ensure that the Trust Chief Executive and the Designated Trust Board have appropriate and sufficient:
- (a) input into the delivery and performance of the transferring children's social care services in order for such individuals to influence and shape the delivery and performance of such services to enable an effective transition of such services to the Trust so that the Trust is able to 'hit the ground running' at the Service Commencement Date;
  - (b) oversight of the Programme and to keep the general progress of the Programme under review;



- (c) representation, input and attendance at the Programme Management Boards (as defined in paragraph 8.1 below) and the Council's statutory and/or democratic meetings/boards, including (without limitation) the Corporate Parenting Board, the Birmingham Safeguarding Children Board, the Council's cabinet meetings and the meetings of the relevant scrutiny committees of the Council.

4.8 Notwithstanding paragraphs 4.5 to 4.7 (inclusive above), the Trust will not be operational and/or responsible for the performance of the Relevant Functions during the Shadow Period and this will remain the full responsibility of the Council during the Shadow Period.

#### The Operational Period

4.9 During the Operational Period the Trust will be fully operational and responsible for the performance of the Relevant Functions on behalf of the Council pursuant to the Service Delivery Contract, and the Service Delivery Contract, the Articles and the Governance Side Agreement will have legal effect during this period.

4.10 It should be noted that, pursuant to paragraph 2.1(a), this MoU will terminate on the Service Commencement Date at the latest and therefore will not be in effect during the Operational Period, unless otherwise agreed by the Parties in writing.

### **5 AGREED KEY OBJECTIVES**

5.1 The Parties' agreed key objectives for the establishment of the Trust are to create a new and distinct legal entity that is operationally independent of the Council, to secure improvements in, and to develop and deliver to a high quality, social care services to children and young people in the city of Birmingham and, in conjunction with partner agencies, to ultimately secure the following outcomes:

- (a) families are supported and strengthened to enable them to parent and care for their children well so that they develop into resilient, happy and successful young people and adults;
- (b) children and young people are protected from significant harm;
- (c) children and young people only enter the care system when that is the best option for them, once all other options have been considered and only then for the shortest possible time to allow for plans to be implemented which provide stable and secure attachments and care arrangements or safe return to family; and
- (d) children, young people and their families consistently receive purposeful and effective support that positively contributes to improving their quality of life.

5.2 The Parties acknowledge and agree that:

- (a) the Trust will have a key role to play in pursuing the key objectives set out in paragraph 5.1 above with the Council and other key stakeholders; and
- (b) the Council and the Trust shall work collaboratively and effectively with all key stakeholders to pursue these key objectives,

and, during the Shadow Period, the Council and the Trust will work together in good faith to further develop the key objectives and agree an appropriate and balanced 'shared vision' in respect of the delivery of children's social care services to be set out in the Service Delivery Contract.

## 6 THE NEW ORGANISATION MODEL

### Form of the Trust

- 6.1 The Trust has initially been incorporated in a dormant and 'shadow form' as a wholly-owned subsidiary company of the Council limited by guarantee, with the Council as its sole member and the Chair as its sole director. The Trust shall remain in a dormant and 'shadow form' during the Term and Shadow Period (as applicable) and shall not be considered operational until it formally enters into the Service Delivery Contract and commences the performance of the Relevant Functions on behalf of the Council.
- 6.2 During the Term (and Shadow Period) and prior to the Trust becoming operational, the Trust's constitutional documents shall be developed and amended so that it is a '*Teckal*' compliant (for the purposes of the Public Contracts Regulations 2015) wholly-owned subsidiary of the Council, that is a community interest company limited by guarantee. The Council will remain the sole member of the Trust for these purposes and the constitution of the board of directors of the Trust shall be as set out in paragraph 6.4 below.
- 6.3 The Parties agree that the model for the new Trust must:
- (a) comply with the requirements of the Directions to secure the improvement in the performance of the Relevant Functions and to provide confidence to the Parties regarding the future delivery of high quality children's social care services in the city of Birmingham;
  - (b) establish a new and distinct legal entity which has day-to-day operational independence from the Council in the management and performance of the Relevant Functions that the Trust is performing on behalf of the Council in the city of Birmingham through a strong board of executive and non-executive directors;

- (c) enable the effective discharge by the Council and its elected members of their local democratic accountability in relation to the performance of the Relevant Functions that the Trust is performing on behalf of the Council in the city of Birmingham through an appropriate and balanced contractual governance and quality assurance framework in the Service Delivery Contract, which is sufficiently:
  - (i) **robust** to enable the citizens of the city of Birmingham to know that their children and young people will have access to a range of good quality children's social care services that will effectively support them in meeting their individual needs; and
  - (ii) **flexible** enough to enable the directors and executive management of the Trust to be innovative and independently develop services to meet the changing demands of children and young people in the city of Birmingham and which do not compromise the Trust's operational independence;
- (d) provide a structure that is lawful and within the scope of the Council's legal powers, in particular in accordance with the Council's contracting out powers pursuant to Section 1 of the Children and Young Persons Act 2008 and which complies with the Public Contracts Regulations 2015 and associated State Aid rules. The Parties agree that, prior to the Service Commencement Date, the Trust will register as an independent fostering agency and as an adoption agency, such that any such registrations are completed before the Service Commencement Date; and
- (e) provide the most tax-efficient structure possible in order to minimise any additional costs arising under the new model.

Constitution of the Trust Board

- 6.4 Subject to paragraphs 6.5 to 6.14 (inclusive) below, the board of directors of the Trust shall comprise the following:
- (a) a chair (non-executive director with the first such appointment being the Chair as defined in paragraph 3.4(a) above and hereinafter referred to as the "**Chair**");

- (b) up to four (4) executive directors comprising the Trust Chief Executive, and three other executive roles (expected to be the Director of Resources, the Director of Operations and the Director of Commissioning and Development) (the posts of Trust Chief Executive, Director of Resources, Director of Operations and Director of Commissioning and Development are collectively referred to for the purposes of this MoU as the "**Executive Posts**");
  - (c) up to five (5) non-executive directors with collective knowledge, expertise and experience across children's social services, finance, HR and other relevant areas plus appropriate local knowledge of the city of Birmingham and its associated partner agencies; and
  - (d) an additional non-executive director nominated by the Council.
- 6.5 During the Shadow Period any appointments to the Designated Trust Board shall be as follows:
  - (a) the Secretary of State, in consultation with the Council, shall select the person who will have the role of Chair of the Trust; and
  - (b) subject to paragraph 6.7 in relation to the post of Trust Chief Executive, all other appointments to the Designated Trust Board shall, subject to paragraph 6.6 below, be made *via* an appointments panel comprised of the Chief Executive of the Council, the Lead Cabinet Member for Children, Families and Schools, the Chair and the Commissioner (the "**Appointments Panel**").
- 6.6 Prior to any person being referred to the Appointments Panel for consideration pursuant to paragraph 6.5 above, the Council shall obtain the prior written approval of the Secretary of State of the proposed candidate for such appointment. For the avoidance of doubt, for this purpose the prior written approval of the Secretary of State is not required in respect of the appointment of the Trust Chief Executive, whose appointment during the Shadow Period shall be made pursuant to paragraph 6.7 below.
- 6.7 During the Shadow Period any appointment of a Trust Chief Executive to replace Andy Couldrick or his successor(s) (where applicable) shall be made *via* the Appointments Panel which, in addition to those persons listed in paragraph 6.5(b), shall include a representative of the Secretary of State as notified by the Secretary of State from time to time.
- 6.8 Subject to paragraphs 6.11 and 6.12 below, during the Operational Period and for so long as the Directions (or any subsequent statutory direction of the Secretary of State that replaces the Directions) remain in force (the "**Intervention Period**") the following principles shall apply in respect of the appointment and/or removal of the directors of the Trust:

- (a) the Secretary of State shall nominate the Chair of the Trust who will be a non-executive director and whose formal appointment to the board of directors of the Trust shall be made by the Council following such nomination by the Secretary of State; and
- (b) the Council shall obtain the prior written consent of the Secretary of State in relation to any decision to appoint or remove the Trust Chief Executive, as more particularly described in paragraph 6.14 below.

Decision-Making and Reserved Matters

6.9 Subject to paragraph 6.10 and paragraphs 4.5 to 4.8 (inclusive) in respect of the operation of the Designated Trust Board during the Shadow Period, during the Operational Period the board of directors of the Trust shall:

- (a) be fully empowered to manage the Trust's day-to-day business and affairs in accordance with the approved business plan (from time to time – see paragraph 4.2(e)(iii) above and paragraph 6.9(d) below);
- (b) make decisions on a majority basis only, and in the case of an equality of votes the Chair shall have a second or casting vote;
- (c) be expected to comply with their duties under the Companies Act 2006 in relation to their decision-making; and
- (d) in consultation with key stakeholders:
  - (i) redraft the Business Plan every three (3) years (the "**Revised Business Plan**") and submit the Revised Business Plan to the Council for approval;
  - (ii) on an annual basis, refresh and update the Business Plan or Revised Business Plan (as applicable) (in either case the "**Updated Business Plan**") and submit the Updated Business Plan to the Council for approval;

in accordance with paragraph 6.10(b) and 6.14(b)(i) below.

6.10 In addition to its statutory rights under the Companies Act 2006 (and associated legislation) and subject to paragraphs 6.11 to 6.14 (inclusive) below, during the Operational Period the Council shall have a right of approval over the following key decisions of the Trust:

- (a) subject to paragraphs 6.8 and 6.14(a)(i) of this MoU, the appointment and removal of the Chair and the Trust Chief Executive or any change to the membership of the Trust;

- (b) the approval of the Business Plan, Revised Business Plan and Updated Business Plan;
- (c) any changes/amendments to the articles of association of the Trust;
- (d) the voluntary winding up of the Trust (save where the Trust is insolvent or and action is necessary by the directors of the Trust in order to comply with their statutory duties or to avoid potential civil or criminal liability);
- (e) any proposal for the Trust to enter into any new third party contracts for the provision of services by the Trust to third parties above a pre-agreed value threshold (which are outside the scope of the Service Delivery Contract);
- (f) any proposal for the Trust to enter into any other contractual arrangement with the Council for the provision of other services to the Council following the service commencement date of the Service Delivery Contract (unless otherwise expressly provided for in the Service Delivery Contract); and
- (g) any proposal by the Trust to form or procure the formation of any other legal entity or undertaking which the Trust would be a member, shareholder or hold any analogous position in any jurisdiction,

together the "**Reserved Matters**".

6.11 The Parties acknowledge and agree that, during the Shadow Period, the Council and the Trust may collaboratively identify and agree upon additional matters that should be added to the list of Reserved Matters set out in paragraph 6.10 above ("**Additional Reserved Matters**"). When identifying and agreeing any Additional Reserved Matters with the Trust, the Council shall:

- (a) always have regard to the fundamental principle of the operational independence of the board of the Trust, which shall not be fettered by the Council; and
- (b) subject always to paragraph 6.12, consult the Secretary of State (or her nominee, where applicable) prior to agreeing any Additional Reserved Matters with the Trust.

- 6.12 Following consultation with the Secretary of State (or her nominee) pursuant to paragraph 6.11, the Secretary of State shall be entitled to request consent or consultation rights over any Additional Reserved Matters to the extent that the Secretary of State reasonably believes that such rights are necessary. Following any such request by the Secretary of State, the Parties shall agree (acting reasonably and having due regard to the principles set out in paragraphs 6.11(a) and 6.15 of this MoU) such consent/consultation rights over any Additional Reserved Matters and such rights shall be exercisable by the Secretary of State during the Intervention Period. No Additional Reserved Matters can be agreed between the Council and the Trust until the process set out in paragraph 6.11(b) and this paragraph 6.12 has been followed.
- 6.13 The Reserved Matters (including any Additional Reserved Matters agreed between the Council and the Trust pursuant to paragraphs 6.11 and 6.12 above), and the Council's rights in respect of the same, will be set out in the Articles.

The consent/consultation rights of the Secretary of State in respect of any Reserved Matters

- 6.14 During the Intervention Period, the Secretary of State shall have:
- (a) **consent rights** in respect of the following Reserved Matters:
    - (i) the appointment and/or removal of the Chair and/or the Trust Chief Executive;
    - (ii) the voluntary winding up of the Trust (save where the Trust is insolvent and action is necessary by the directors of the Trust in order to comply with their statutory duties or to avoid potential civil or criminal liability);
    - (iii) any change to the membership of the Trust; and
    - (iv) any other consent rights agreed between the Parties pursuant to paragraph 6.12 above;
  - (b) **consultation rights** in respect of the following Reserved Matters:
    - (i) the approval of the Business Plan, Revised Business Plan and Updated Business Plan;
    - (ii) any changes/amendments to the articles of association of the Trust;
    - (iii) any proposals for the Trust to enter into any new third party contracts for the provision of services by the Trust to third parties above a pre-agreed value threshold (which are outside the scope of the Service Delivery Contract);

- (iv) any proposal for the Trust to enter into any other contractual arrangement with the Council for the provision of other services to the Council following the service commencement date of the Service Delivery Contract (unless otherwise expressly provided for in the Service Delivery Contract);
- (v) any proposal by the Trust to form or procure the formation of any other legal entity or undertaking which the Trust would be a member, shareholder or hold any analogous position in any jurisdiction; and
- (vi) any other consultation rights agreed between the Parties pursuant to paragraph 6.12 above.

6.15 The consultation/consent rights of the Secretary of State described in paragraph 6.14 above (or any additional consultation/consent rights requested and afforded to the Secretary of State pursuant to paragraph 6.12 above) are intended to preserve the integrity of the intervention pursuant to the Directions, and shall be set out in a legally binding agreement between the Council and the Secretary of State (the “**Governance Side Agreement**”) to be entered into on or before the commencement of the Service Delivery Contract. The Governance Side Agreement will *inter alia* manage the exercise by the Secretary of State of such consultation/consent rights.

## **7 THE SERVICE DELIVERY CONTRACT**

7.1 On or around 31 March 2018, the Council will enter into a long-term arm's length Service Delivery Contract with the Trust in accordance with the in-house public procurement exemption pursuant to the Public Contracts Regulations 2015. The Service Delivery Contract will be the sole means through which the Council (including Council members through overview and scrutiny) will manage the Trust's performance of the Relevant Functions during the Operational Period.

7.2 Under the Service Delivery Contract, the Trust (in the capacity of a 'supplier') will be required to perform the Relevant Functions on behalf of the Council (in its capacity as 'customer'). The current proposed scope of the children's social services (the “**Core Services**”) that will be delivered by the Trust is set out in Part A (*Core Services*) to Appendix B to this MoU. In addition, Part B (*Relevant Support Services*) to Appendix B of this MoU sets out the current proposed scope of relevant support services that the Trust will require in order to provide the 'Core Services' in Part A, and during the Shadow Period the Council and the Trust will collectively determine which of these support services will be directly performed by the Trust and which will be purchased by the Trust from the Council via a support service arrangement.



- 7.3 An outcomes-focused service specification and associated performance regime for the Service Delivery Contract in respect of the transferring children's social services will be jointly developed and agreed by the Council and the Designated Trust Board (including the Trust Chief Executive), in consultation with the Commissioner and the Secretary of State.
- 7.4 During the Intervention Period, the Secretary of State shall have the following rights in respect of the Service Delivery Contract:
- (a) **consent** rights in respect of any proposal:
    - (i) to terminate the Service Delivery Contract;
    - (ii) to extend the Service Delivery Contract;
    - (iii) to make a major variation to the Service Delivery Contract (outside pre-agreed thresholds);
    - (iv) by the Trust to subcontract a substantial part of the provision of the services to a third party;
    - (v) by the Trust to assign, novate or otherwise dispose of its rights under the Service Delivery Contract;
    - (vi) by the Council to exercise any agreed step-in rights pursuant to the Service Delivery Contract; and
  - (b) a **consultation right** in respect of any proposal by the Council to issue a step-out notice under the Service Delivery Contract.
- 7.5 The consultation/consent rights of the Secretary of State described in paragraph 7.4 shall be capable of being exercised by the Secretary of State through the 'Third Party Rights' provision to be contained within the Service Delivery Contract. Further, the exercise of these rights shall be governed by the Governance Side Agreement. This Governance Side Agreement will *inter alia* manage the exercise by the Secretary of State of such consultation/ consent rights.

#### TUPE/Employment and Pensions

- 7.6 The persons on the Designated Trust Board who have Executive Posts shall be employed by the Council during the Term and on the commencement of the services under the Service Delivery Contract such persons will transfer to the Trust pursuant to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("**TUPE**").

- 7.7 In addition to the transfer of the Executive Posts as described in paragraph 7.6, on the commencement of the services under the Service Delivery Contract there shall be a transfer of relevant and appropriately assigned staff from the Council to the Trust pursuant to TUPE. The scope of the transferring services and the design of the Council's retained Intelligent Client Function will determine the scope of this TUPE transfer. The Council will be responsible for all pre-transfer employment liabilities of the transferring staff and the Trust will be responsible for all post-transfer employment liabilities of such transferring staff insofar as they relate to their employment by the Trust following the relevant transfer date.
- 7.8 The Trust shall secure "admitted body status", or alternatively shall be a "designated body" (for the purposes of part 2, schedule 2 of the Local Government Pension Scheme Regulations 2013), in relation to the Local Government Pension Scheme ("LGPS") on or prior to the Service Commencement Date. It is anticipated that the scope of this admission will be open to both staff who transfer from the Council to the Trust pursuant to TUPE and also any 'new' staff recruited by the Trust after the relevant transfer date (to the extent that the Trust elects to offer such admission to any new recruits) to ensure that the Trust is in a position to recruit high quality personnel. The Council shall enter into a guarantee in favour of the relevant LGPS fund in respect of the Trust's liabilities to that fund.

## **8 MANAGEMENT OF THE PROGRAMME**

- 8.1 During the Term the management of the Programme is currently comprised as follows:
- (a) Children's Trust Steering Group (CTSG) (meets once every 4 weeks);
  - (b) Design Authority (meets twice every 4 weeks);
  - (c) Programme Board (meets once every 4 weeks – and there are individual workstream meetings as required); and
  - (d) Trust Chair meetings (meets weekly),
- together the "**Programme Management Boards**".

- 8.2 The Children's Trust Steering Group (CTSG) provides the strategic direction and drive and acts as a point of escalation for the whole Programme. This group is chaired by the Chief Executive of the Council in her capacity as the Senior Responsible Officer for the Programme. To ensure all the key stakeholders are represented, the attendees include: the Chief Executive of the Council; the Lead Cabinet Member for Children, Families and Schools; the Director of Children's Services; the Commissioner; a representative(s) of the Secretary of State; representative(s) of partner agencies; the Chair and other Trust representative(s); the Council's Executive Director for Children's Services; Programme Director/Manager; and key workstreams (as required).
- 8.3 During the Term Council oversight will continue to be provided *via* existing Council meetings/reviews/reports for the Council, Cabinet and Scrutiny and other Members and officers as required.
- 8.4 The day to day running of the Programme will be via the Programme Board under the direction of the Programme Director and Programme Manager. The Programme Board will report into the Steering Group. Delivery will be via a number of workstreams, which currently includes: Governance and Commissioning; Intelligent Client Function; Communications and Engagement (including consultation, in conjunction with HR, for staff and unions); Legal; Finance; People (HR); Property; and ICT and Data.
- 8.5 Overall governance of the Programme will be *via* the Programme structure outlined above and includes a Design Authority. The Design Authority is jointly chaired by the Director of Children's Services and the Chair or Trust Chief Executive (as applicable), and has a standing membership of the service leads of the following key workstreams: Communications; Finance; People (HR); and Legal, with other representatives from the key workstreams (or other workstreams) attending as required. The purpose of the Design Authority is to oversee the design aspects of the Programme and as such spans both the Council and Trust activities. The work of this group has and will continue to cover things like Cabinet Reports, Options Appraisals, the production and implementation (as applicable) of the Memorandum of Understanding, the production and development of the Articles of Association and the Service Delivery Contract.
- 8.6 In parallel with this, the Chair leads a group of Council officers and external advisors overseeing activities such as Trust recruitment, Designated Trust Board and management team governance (for the Shadow Period), establishing the Trust HQ, establishing the Trust target operating model for support services and ensuring that the Trust is ready to receive the transitioned staff and services at April 2018.

## **9 FINANCE**

### Transition Costs

- 9.1 The Council's costs for the establishment of the Trust have been provided by the Secretary of State and the Secretary of State does not intend to provide any additional costs in respect of the Programme (other than as described in the MoU), including following the successful implementation of the Programme

### The Trust's Budget

- 9.2 The Council has agreed that it will maintain its current financial plan and priority in respect of the funding of the Core Services through to at least 2020 in accordance with the principles agreed at the meeting of the Council on 14 June 2016. This means that, although this funding includes planned savings for future years in accordance with the Council's 'Business Plan and Budget 2016+', the Council will continue to maintain its current level of investment/committed funding in/to the Core Services in accordance with the principles agreed at the meeting of the Council on 14 June 2016 through to at least 2020.
- 9.3 The Council acknowledges that, although there is currently a piece of work being undertaken to calculate and disaggregate the costs of support services across the Council to identify those that will transfer to the Trust and those that will be provided to the Trust by the Council as a support service, this work (including the realisation of any savings that may generate from it) will be completed by the Council prior to the Service Commencement Date and the Council will fund the costs of such work (including any costs required to generate any savings).
- 9.4 Subject to paragraph 9.3 in respect of the funding of this work, the Council will work collaboratively with the Designated Trust Board during the Shadow Period to design how support services will look at and from the Service Commencement Date and to deliver any associated savings. The resulting cost of support services following this exercise (i.e. whether they are transferred to the Trust or provided to the Trust by the Council) will then form part of the Trust's budget (and any Trust budget considerations) on and from the Service Commencement Date.

- 9.5 The Council has further agreed that, having regard to the principles in paragraphs 9.2 to 9.4 (inclusive) above, the Trust's budget following the Service Commencement Date will be agreed pursuant to a 'budget-mapping' exercise, whereby the Trust will align its own budget setting process with that of the Council's such that the Trust's budget is reviewed annually to ensure that the Trust is sufficiently funded having regard to all relevant factors, including (without limitation) the Council's commitment in respect of the funding for the Core Services described in paragraph 9.2 above. The exact process to be followed will be set out in the Service Delivery Contract.

Approach to VAT

- 9.6 The Council has received its own advice on the VAT implications of the Trust. The Parties will come to an agreement so that the Council and the Trust are not liable for any unrecoverable VAT costs associated with the Trust.

**10 KEY PROGRAMME MILESTONES**

- 10.1 The Parties shall use all reasonable endeavours to achieve the following key milestones as part of the proposed timetable for this Programme:

- (a) **Commencement of the Shadow Period:** the Trust to be established, the Designated Trust Board and management team appointments in progress and plan for the Shadow Period by April 2017;
- (b) **Cabinet Report:** Council agreement to the Trust budget and the shape of support services to be transitioned to the Trust at the Service Commencement Date and the 'sign off' of the MoU by end of July 2017;
- (c) **Designated Trust Board established:** the matters referred to in paragraphs 4.5 to 4.8 (inclusive) above in place by September 2017;
- (d) **Road Test Agreed Key Processes:** key processes that are relevant to the Service Delivery Contract to be agreed by January 2018 and during the period from January 2018 to March 2018 these processes be tested and refined for the purpose of their incorporation into the Service Delivery Contract – this will include the testing and refining (where necessary) of the Council's Intelligent Client Function;
- (e) **Service readiness review:** a service readiness review to be carried out in the final three months of the Shadow Period, commencing in January 2018, to ensure that everything is in place or planned to be in place for transition at April 2018; and

- (f) **Execution of the Service Delivery Contract & Go-Live:** by 1 April 2018 the Service Delivery Contract is executed and on and from this date the Trust to become fully operational and responsible for the performance of the Relevant Functions on the Council's behalf, accompanied by the TUPE transfer of all staff in scope to the Trust. Support Services running, including those buy-back services from the Council (e.g. ICT). From this point, the Trust provides the services to the Council (as commissioner) under the Service Delivery Contract.

- 10.2 The implementation of this Programme and the achievement of the key milestones set out in paragraph 10.1 above shall be monitored and effectively managed by the Programme Management Boards.

## **11 MISCELLANEOUS**

- 11.1 Subject to clause 1.9, both Parties agree to act all times in good faith and in the spirit of mutual trust and co-operation in relation to the delivery of the Programme in accordance with the terms of this MoU.
- 11.2 The Parties shall agree the scope and confidentiality of the information sharing which shall take place during the Term, including access to the Council's financial and management reporting records and systems.
- 11.3 The Parties agree that the Council shall lead on all public statements and/or announcements in respect of this Programme during the Term in consultation with the Secretary of State and the Commissioner. Save for the purposes of public decision making and/or where required by law, neither Party shall issue any public statements or announcements in respect of this Programme without the prior written agreement of the other Party (such agreement not to be unreasonably withheld or delayed).
- 11.4 The Parties may vary the terms of this MoU at any time by the agreement of both Parties in writing (such agreement not to be unreasonably withheld or delayed).
- 11.5 Any dispute that may arise as to the interpretation or application of this MoU shall be settled by discussion between the Parties. Both Parties agree to use all reasonable endeavours to seek to resolve any such dispute.

Signed \_\_\_\_\_

Dave Hill

The Commissioner for Children's Social Care in Birmingham (on behalf of the Secretary of State)

Signed \_\_\_\_\_

Stella Manzie

Interim Chief Executive

Birmingham City Council

**APPENDIX A - The Direction**

Birmingham Commissioner for Children's Social Care Direction

**DIRECTION UNDER SECTION 497A (4B) OF THE EDUCATION ACT 1996  
TO BIRMINGHAM CITY COUNCIL**

**WHEREAS**

1. The Secretary of State for Education ("the Secretary of State") issued a direction to Birmingham City Council ("the Authority") on 18 March 2013 pursuant to section 497A(4B) of the Education Act 1996 ("first direction") in the light of inadequate performance by the Authority of its children's social care functions;
2. The first direction was revoked and replaced by a direction issued to the Authority by the Secretary of State on 8 September 2014 ("the second direction") which inter alia required the Authority to cooperate with the Commissioner for children's social care in Birmingham, Lord Warner, and to take certain other actions with a view to improving children's social care functions;
3. The second direction was revoked and replaced by a direction issued to the Authority by the Secretary of State on 17 December 2015 ("the third direction") which inter alia required the Authority to cooperate with the replacement Commissioner for children's social care in Birmingham, Andrew Christie.
4. On 25 November 2016, Andrew Christie stepped down as Commissioner to take up post as the Chair-designate of the proposed Birmingham Children's Services Trust. The Secretary of State now intends to appoint Dave Hill as the new Commissioner for Children's Social Care in Birmingham ("the Children's Social Care Commissioner") in accordance with, and for the purposes of, the terms of reference ("the Terms of Reference") set out in Annex A to this direction.
5. The Secretary of State has carefully considered Ofsted's report, in respect of the Authority, of its inspection carried out between 12 September 2016 and 6 October 2016. The Secretary of State is satisfied that the Authority is not yet performing to an adequate standard, or at all, some or all of the functions to which section 497A of the Education Act 1996 ("the 1996 Act") is applied by section 50 of the Children Act 2004 ("children's social care functions"), namely;
  - a) social services functions, as defined in the Local Authority Social Services Act 1970, so far as those functions relate to children;
  - b) the functions conferred on the Authority under sections 23C to 240 of the Children Act 1989 (so far as not falling within paragraph a. above);



and

- c) the functions conferred on the Authority under sections 10, 12, 12C, 12O and 17A of the Children Act 2004.

- 6. The Secretary of State, having considered representations made by the Authority, considers it expedient, in accordance with her powers under section 497A of the 1996 Act, to direct the Authority as set out below in order to ensure that the Authority's children's social care functions are performed to an adequate standard.

**NOW THEREFORE:**

- 7. Pursuant to her powers under section 497A(4B) of the 1996 Act, the Secretary of State directs that the Authority shall, to the satisfaction of the Children's Social Care Commissioner, do the following:

- a. comply with any instructions of the Secretary of State or the Children's Social Care Commissioner in relation to the improvement of the Authority's exercise of its children's social care functions and to provide such assistance as may be required;
- b. cooperate with the Children's Social Care Commissioner, including on request allowing the Commissioner at all reasonable times access:
  - i. to any premises of the Authority;
  - ii. to any document of or relating to the Authority; and
  - iii. to any employee or member of the Authority

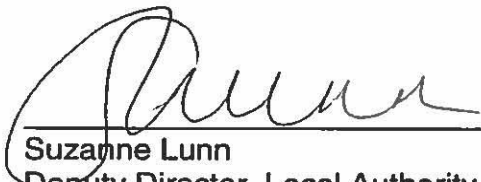
which appears to him to be necessary for achieving the purposes of, and carrying out the responsibilities set out in the Terms of Reference;

- c. provide the Children's Social Care Commissioner with such amenities, services and administrative support as he may reasonably require from time to time for carrying out his responsibilities in accordance with the Terms of Reference, including:
  - i. providing officers' time or support; and
  - ii. providing office space, meeting rooms or computer facilities;
- d. through the accountable body ("the Quartet") as defined in the second direction, continue to oversee and drive improvements to children's social care services in Birmingham. The Quartet

must comprise the following individuals:

- i. the Lead Member for the Authority;
  - ii. the Lead Member for Children's Services;
  - iii. the Chief Executive; and
  - iv. the Director for People.
- e. ensure that the Quartet meets the Children's Social Care Commissioner at least once every two calendar months and provides such reports to him as he may require, and that the Quartet seeks formal assurances from the Authority's Cabinet on an annual basis as to the provision of adequate resources to deliver improvements in children's social care;
- f. cooperate with the independent improvement partner, Essex County Council, to support service improvement;
- g. implement the Improvement Plan for Early Help and Children's Social Care (2015-17), the Children and Family Services Commissioning Plan (2015-2017); and the Operating Model for Birmingham Children's Services (2015), and develop plans for further, sustainable improvements to the long-term delivery of children's social care services";
- h. secure an appropriate budget to support the delivery of improved services in accordance with the above plans;
- i. cooperate with government officials in relation to implementing the direction.

Signed on behalf of the Secretary of State for Education:



Suzanne Lunn  
Deputy Director, Local Authority Performance and Intervention  
Department for Education

Date: 25<sup>th</sup> November 2016

## **ANNEX A**

### **Commissioner for Children's Social Care Terms of Reference**

- 1. The Commissioner is expected to provide independent strategic oversight of the Authority's progress under this Direction by:**
  - a. instigating and leading reviews of the Authority's implementation of its Improvement Plan for Early Help and Children's Social Care (2015-17), Children and Family Services Commissioning Plan (2015–2017) and Operating Model for Birmingham Children's Services (2015) with a particular focus on the:**
    - i. Authority's capability and capacity to maintain long-term improvements to Birmingham's children's services;**
    - ii. Ability of senior managers to ensure that appropriate financial and human resources are made available to allow planned improvements to be delivered; and,**
    - iii. Authority's ability to manage effectively the overlap between safeguarding and education.**
  - b. Providing an assessment of capability and capacity of senior council leaders to ensure that improvements continue beyond this Direction, and are sustainable beyond the Authority's current improvement plans, acting as an interface between the Authority, the Department and the Department for Communities and Local Government led Improvement Panel, with the specific remit of ensuring that the corporate improvements being taken forward by the Panel serve and align with the improvement plans for children's social care services.**
- 2. The Commissioner will report quarterly on the Authority's progress to the Secretary of State, with the first report due at the end of February 2017.**

**APPENDIX B - The List of Trust Services**

**Part A – Core Services**

Adoption
Assessment and Short-Term Intervention (ASTI) teams
Child Protection chairs and Independent Review Officers, LADO (Local Authority Designated Officer), Disclosure team
Children in care teams
Complaints service; quality assurance; policy; research; Principal Social Workers
Disabled Children's Social Care (DCSC)
Family Support – intensive interventions with disadvantaged families
Fostering
Leaving Care teams
No Recourse to Public Funds team; Homeless young people's team; Edge of Care teams; Rights and participation, Family group conferencing and contact/ specialist assessment service
Partnership management and development
Residential care homes for disabled children
Safeguarding teams
Single point of entry for all contacts and referrals
Therapeutic Emotional Support Service (TESS)
Workforce Development Team
Youth Offending Service (YOS)

**Part B – Relevant Support Services**

Birmingham Safeguarding Children Board (BSCB) support team
Children's HR
Commissioning, Contracting and Placements
Communications/Engagement Team
Finance Directorate Support
IT Support
Performance Data and Analysis Function
Professional Support Services
Programmes and Projects
Children's Legal Advice
Corporate HR
Corporate Legal Advice
Finance Shared Services
Financial Systems Support
Internal Audit
IT Services (Corporate)
Media Support and Corporate Design
Procurement
Property Management

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Appendix 4 - Birmingham Children's Trust: Equality Analysis - Full Assessment
<b>Directorate</b>	People
<b>Service Area</b>	Children - Children's Services
<b>Type</b>	Amended Policy
<b>EA Summary</b>	<p>This EA supports the Cabinet decision regarding which children's social care and related support services will transfer to the Birmingham Children's Trust, the indicative 2018/19 Trust budget and the approach to the transfer of staff from the Council to the Trust at April 2018.</p> <p>This EA follows Cabinet approval in January 2017 to create the Trust as a wholly owned company model and as a community interest company (CIC) and put in place a shadow period (from April 2017 to March 2018) to test the governance arrangements between the Council and the Trust prior to full transition (go-live) at April 2018.</p>
<b>Reference Number</b>	EA002005
<b>Task Group Manager</b>	charles.ashton-gray@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Senior Officer</b>	colin.diamond@birmingham.gov.uk
<b>Quality Control Officer</b>	peopleequalitycontrol@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a Amended Policy.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### **What is the purpose of this Policy and expected outcomes?**

This EA follows Cabinet approval in January 2017 to create the Trust as a wholly owned company model and as a community interest company (CIC) and put in place a shadow period (from April 2017 to March 2018) to test the governance arrangements between the Council and the Trust prior to full transition (go-live) at April 2018.

This EA supports the decisions regarding:

- . which children's social care and related support services transfer to the Birmingham Children's Trust (Trust)
- . the indicative 2018/19 Trust budget
- . the approach to the transfer of staff from the Council to the Trust at April 2018.

**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Children: A Safe And Secure City In Which To Learn And Grow	Yes
---	-----

**Comment:**

Establishment of the Trust is consistent with the Council's priorities of protecting children and ensuring Birmingham is a safe city for them to learn and grow in, as set out in the Council's Vision and Forward Plan 2017/18.

Health: Helping People Become More Physically Active And Well	No
Housing : To Meet The Needs Of All Current And Future Citizens	No
Jobs And Skills: For An Enterprising, Innovative And Green City	No

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
---	-----

**Comment:**

Across a range of services from Children Looked After, Children in Need, to Disabled Children's Services, approximately 12,900 children and young people could be affected.

Will the policy have an impact on employees?	Yes
--	-----

**Comment:**

In advance of consultation in accordance with TUPE (Transfer of Undertakings [Protection of Employment] Regulations) 2006, there has been engagement with service users, affected employees, trade unions and Elected Members. This has included the Trust models, staff transfer approach and the scope of services to transfer to the Trust. Outcomes of this process have informed preparation of this report.

Approximately 1,700 staff could be affected.

Will the policy have an impact on wider community?	Yes
--	-----

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Relevant	Yes
Disability	Relevant	Yes
Gender	Relevant	Yes
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Relevant	Yes
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

## **2.4 Analysis on Initial Assessment**

The impetus behind the creation of the Trust is to improve the quality of services to children, young people and their families in Birmingham.

As detailed in the main report a key principle of assurance is that the Council, DCS and the Trust have a shared understanding of the wider outcomes framework for children and young people and the outcome focus of the contract. That needs to be expressed in a commitment to put in place actions that enable the experiences of children and young people who receive services to be understood and improved in order to achieve best outcomes.

Also as detailed elsewhere an appraisal has been undertaken of the TUPE and secondment options for the transfer of staff to the Trust. This concluded that TUPE is the preferred method for transfer as it will protect existing terms and conditions for staff. In addition, the Trust, through its governance arrangements, is committed to strong staff and union engagement and to nurturing good employee relations.

### 3 Full Assessment

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### 3.1 Age - Assessment Questions

##### 3.1.1 Age - Relevance

Age	Relevant
-----	----------

##### 3.1.2 Age - Impact

###### Describe how the Policy meets the needs of Individuals of different ages?

The Trust's service model will meet the needs of children and young people.

With regards to staff, almost half of those within the proposed cohort to TUPE to the Trust are aged between 30 and 49 years.

With regards to the 12,900 children and young people who will receive services from the Trust, 24% are 5 or under 5 years of age, 26% are between 6 and 10 years, 29% are between 11 and 15 years and 20% are 16 years or over.

Do you have evidence to support the assessment?	Yes
---	-----

###### Please record the type of evidence and where it is from?

The staff records are held on a corporate database and the TUPE process itself is open to scrutiny from trades unions and staff.

The children and young people's records are held on Directorate databases.

You may have evidence from more than one source. If so, does it present a consistent view?	Not applicable
--	----------------

##### 3.1.3 Age - Consultation

Have you obtained the views of Individuals of different ages on the impact of the Policy?	Yes
---	-----

###### Comment:

The views of staff have been sought, but the views children, young people and families have not been formally sought.

###### If so, how did you obtain these views?

Since January 2017 there have been:

- Monthly Children's Trust newsletters since the start of shadow trust in April
- Two rounds of Engagement sessions at each of the CAB buildings (8 in total) with around 400 staff attending from across the city.
- Updated internet and intranet pages and a number of short video interviews, simple guides, FAQs and presentations online.
- Two staff reference group sessions (approx 50 members of staff) putting forward their views about staff engagement in the trust, and discussing topics including TUPE/Secondment and the new website/intranet.

Feedback has been that:



- There is support for the trust model, especially around having a single focus and not having the council 'distractions'.
- Both staff and partners see it as an opportunity to improve our relationships with and the way we work with partners.

Have you obtained the views of relevant stakeholders on the impact of the Policy on Individuals of different ages?	Yes
--	-----

**If so, how did you obtain these views?**

Engagement has included strategic partners and stakeholders from health, police, the voluntary sector, the Birmingham Safeguarding Children Board, the Children's Strategic Leaders Forum, the Department for Education (DfE) and Birmingham's Commissioner for Children's Social Care.

There has also been direct liaison with other local authorities (eg. Doncaster, Slough, Kingston-Upon-Thames, Richmond and Sunderland) where Trust arrangements exist or are being developed and learning from this has been taken into account.

Is a further action plan required?	No
------------------------------------	----

### **3.1.4 Age - Additional Work**

Do you need any more information or to do any more work to complete the assessment?	No
Do you think that the Policy has a role in preventing Individuals of different ages being treated differently, in an unfair or inappropriate way, just because of their age?	Yes
Do you think that the Policy could help foster good relations between persons who share the relevant protected characteristic and persons who do not share it?	No

**Please explain how individuals may be impacted.**

Partners have indicated support for the Trust as an opportunity for better integration and collaborative working. Partners have been involved in programme management and shadow governance arrangements. Recognising that the Trust would be part of a wider system of agencies and partners which share the aim of securing better outcomes for children and young people, there is a commitment to building stronger relationships and behaviours around a shared vision, values and leadership of the system.

## 3.2 Disability - Assessment Questions

### 3.2.1 Disability - Relevance

Disability	Relevant
------------	----------

### 3.2.2 Disability - Impact

#### **Describe how the Policy meets the needs of Individuals with a disability?**

The Trust's service model will meet the needs of children and young people.

With regards to staff, 100 of those within the proposed cohort to TUPE to the Trust have a recorded disability.

With regards to the 12,900 children and young people who will receive Children in Needs and Children in Care services from the Trust, 19% have a recorded disability.

#### **Comment:**

The recording of a disability on the corporate system is a matter of choice for employees. It is possible that this is an under-estimate of the number of employees with a disability.

With regards to the 2,000 children and young people who will receive Family Support services from the Trust, there is no consistent method of recording a disability and we are therefore unable to identify how many disabled children and young people there may be in this cohort.

Do you have evidence to support the assessment?	Yes
---	-----

#### **Please record the type of evidence and where it is from?**

The staff records are held on a corporate database and the TUPE process itself is open to scrutiny from trades unions and staff.

The children and young people's records are held on Directorate databases.

You may have evidence from more than one source. If so, does it present a consistent view?	Not applicable
--	----------------

### 3.2.3 Disability – Consultation

Have you obtained the views of Individuals with a disability on the impact of the Policy?	Yes
---	-----

#### **Comment:**

The views of staff have been sought, but the views children, young people and families have not been formally sought.

#### **If so, how did you obtain these views?**

Since January 2017 there have been:

- Monthly Children's Trust newsletters since the start of shadow trust in April
- Two rounds of Engagement sessions at each of the CAB buildings (8 in total) with around 400 staff attending from across the city.
- Updated internet and intranet pages and a number of short video interviews, simple guides, FAQs and presentations online.
- Two staff reference group sessions (approx 50 members of staff) putting forward their views about staff engagement in the trust, and discussing topics including TUPE/Secondment and the new website/intranet.

Feedback has been that:

- . There is support for the trust model, especially around having a single focus and not having the council 'distractions'.
- . Both staff and partners see it as an opportunity to improve our relationships with and the way we work with partners.

Have you obtained the views of relevant stakeholders on the impact of the Policy on Individuals with a disability?	No
If not, why not?	Consultation not required at this time
Is a further action plan required?	No

### **3.2.4 Disability - Additional Work**

Do you need any more information or to do any more work to complete the assessment?	No
Do you think that the Policy has a role in preventing Individuals with a disability being treated differently, in an unfair or inappropriate way, just because of their disability?	No
Do you think that the Policy could help foster good relations between persons who share the relevant protected characteristic and persons who do not share it?	No
Do you think that the Policy will take account of disabilities even if it means treating Individuals with a disability more favourably?	No
Do you think that the Policy could assist Individuals with a disability to participate more?	No
Do you think that the Policy could assist in promoting positive attitudes to Individuals with a disability?	No

### 3.3 Gender - Assessment Questions

#### 3.3.1 Gender - Relevance

Gender	Relevant
--------	----------

#### 3.3.2 Gender - Impact

##### **Describe how the Policy meets the needs of Men and women?**

The Trust's service model will meet the needs of children and young people.

With regards to staff, almost 80% of those within the proposed cohort to TUPE to the Trust are female.

With regards to the 12,900 children and young people who will receive services from the Trust, 53% are male. A slightly higher proportion (56%) of those with a recorded disability are male.

Do you have evidence to support the assessment?	Yes
---	-----

##### **Please record the type of evidence and where it is from?**

The staff records are held on a corporate database and the TUPE process itself is open to scrutiny from trades unions and staff.

The children and young people's records are held on Directorate databases.

You may have evidence from more than one source. If so, does it present a consistent view?	Not applicable
--	----------------

#### 3.3.3 Gender - Consultation

Have you obtained the views of Men and women on the impact of the Policy?	Yes
---	-----

##### **Comment:**

The views of staff have been sought, but the views of children, young people and families have not been formally sought.

##### **If so, how did you obtain these views?**

Since January 2017 there have been:

- . Monthly Children's Trust newsletters since the start of shadow trust in April
- . Two rounds of Engagement sessions at each of the CAB buildings (8 in total) with around 400 staff attending from across the city.
- . Updated internet and intranet pages and a number of short video interviews, simple guides, FAQs and presentations online.
- . Two staff reference group sessions (approx 50 members of staff) putting forward their views about staff engagement in the trust, and discussing topics including TUPE/Secondment and the new website/intranet.

Feedback has been that:

- . There is support for the trust model, especially around having a single focus and not having the council 'distractions'.
- . Both staff and partners see it as an opportunity to improve our relationships with and the way we work with partners.

Have you obtained the views of relevant stakeholders on the impact of the Policy on Men and women?	No
If not, why not?	There are no plans to consult relevant stakeholders
Is a further action plan required?	No

### 3.3.4 Gender - Additional Work

Do you need any more information or to do any more work to complete the assessment?	No
Do you think that the Policy has a role in preventing Men and women being treated differently, in an unfair or inappropriate way, just because of their gender?	No

### 3.4 Race - Assessment Questions

#### 3.4.1 Race - Relevance

Race	Relevant
------	----------

#### 3.4.2 Race - Impact

**Describe how the Policy meets the needs of Individuals from different ethnic backgrounds?**

The Trust's service model will meet the needs of children and young people.

With regards to staff within the proposed cohort to TUPE to the largest group categorise themselves as 'White' (39%), the next largest groups categorise themselves as 'Black or Black British' (20%) or 'Asian or Asian British' (14%).

With regards to the 12,900 children and young people who will receive services from the Trust, the largest groups are categorised as 'White' (41%) and as having an 'Asian background' (20%).

Other analysis has shown that:

- 'White English' children are more likely to have Child Protection Plan in Birmingham as compared to the other ethnic minorities. 'White Gypsy' and 'White & Asian' are the other two ethnicities have slightly higher rate of disproportionality. 'Indian', 'Pakistani', 'Bangladeshi' and 'Chinese' children, on the other hand are underrepresented.
- 'Caribbean' and 'African' children are more at risk of being Children in Need.
- 'White English', 'White & Asian', 'Other mixed' and 'Caribbean' children are more likely to be taken in care in the City.

Do you have evidence to support the assessment?	Yes
---	-----

**Please record the type of evidence and where it is from?**

The staff records are held on a corporate database and the TUPE process itself is open to scrutiny from trades unions and staff.

The records of children and young people are held on Directorate databases.

You may have evidence from more than one source. If so, does it present a consistent view?	Not applicable
--	----------------

#### 3.4.3 Race - Consultation

Have you obtained the views of Individuals from different ethnic backgrounds on the impact of the Policy?	Yes
---	-----

**Comment:**

The views of staff have been sought, but the views children, young people and families have not been formally sought.

**If so, how did you obtain these views?**

Since January 2017 there have been:

- . Monthly Children's Trust newsletters since the start of shadow trust in April
- . Two rounds of Engagement sessions at each of the CAB buildings (8 in total) with around 400 staff attending from across the city

- Updated internet and intranet pages and a number of short video interviews, simple guides, FAQs and presentations online.
- Two staff reference group sessions (approx 50 members of staff) putting forward their views about staff engagement in the trust, and discussing topics including TUPE/Secondment and the new website/intranet.

Feedback has been that:

- There is support for the trust model, especially around having a single focus and not having the council 'distractions'.
- Both staff and partners see it as an opportunity to improve our relationships with and the way we work with partners.

Have you obtained the views of relevant stakeholders on the impact of the Policy on Individuals from different ethnic backgrounds?	No
If not, why not?	There are no plans to consult relevant stakeholders
Is a further action plan required?	No

#### **3.4.4 Race - Additional Work**

Do you need any more information or to do any more work to complete the assessment?	No
Do you think that the Policy has a role in preventing Individuals from different ethnic backgrounds being treated differently, in an unfair or inappropriate way, just because of their ethnicity?	No
Do you think that the Policy could help foster good relations between persons who share the relevant protected characteristic and persons who do not share it?	No

### **3.5 Concluding Statement on Full Assessment**

The Initial Assessment has been updated and the characteristics of age, disability, gender and race have been considered.

This additional analysis has not identified any particular concerns. The workforce is predominantly female and aged between 30-39 years. A larger proportion of women categorise themselves as 'White', while a slightly higher proportion of men categorise themselves as 'Black backgrounds'. The Council is aware that its HR recording of disability is not necessarily robust.

As to children and young people who use the range of services to be transferred to the Trust, there have been some analysis which has indicated that children and young people from different races may be more, or less likely to receive services that the norm. Analysis has also shown that there is a higher proportion of boys and young men with a disability, particularly within the Disabled Children's Service.

As detailed in the main report, partners have indicated support for the Trust as an opportunity for better integration and collaborative working. Recognising that the Trust would be part of a wider system of agencies and partners which share the aim of securing better outcomes for children and young people, there is a commitment to building stronger relationships and behaviours around a shared vision, values and leadership of the system.

### **4 Review Date**

31/07/17

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.



**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>THE CHIEF EXECUTIVE AND THE INTERIM CHIEF FINANCE OFFICER</b>	
<b>Date of Decision:</b>	<b>25<sup>TH</sup> JULY 2017</b>	
<b>SUBJECT:</b>	<b>CORPORATE REVENUE BUDGET MONITORING 2017/18 MONTH 2 (UP TO 31<sup>ST</sup> MAY 2017)</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003673/2017</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b>	
	<b>O&amp;S Chairman approved</b>	<b>X</b>
<b>Relevant Cabinet Member(s):</b>	<b>Councillor Ian Ward</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Mohammed Aikhlaq</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>1. Purpose of report:</b>
<p>1.1 This report forms part of the City Council's robust arrangements for controlling its revenue expenditure.</p> <p>1.2 Each Directorate's financial performance to date is shown, together with the risks and issues identified to date in the Corporate Revenue Budget Monitoring document for Month 2, which is appended to this report.</p>

<b>2. Decision(s) recommended:</b>
<p>2.1 Note the City Council's 2017/18 revenue budget position and the gross pressures identified as at 31<sup>st</sup> May 2017.</p> <p>2.2 Note the latest monitoring position in respect of the City Council's savings programme and the present risks identified in its delivery.</p> <p>2.2 Approve the resource allocations as identified in Section 4 of the attached report.</p> <p>2.3 Approve the writing off of debts over £0.025m as summarised in Appendix 4 of the report.</p> <p>2.4 Approve the designation of the accountable body funds held by the Council and relating to the Advanced Manufacturing Supply Chain Initiative (AMSCI) and West Midlands, Liverpool and Coventry Region (WMLCR) endowment awards of 2012 for broader supply chain support initiatives across all sectors and industries and endorse the Council with its continuing accountable body role.</p>

<b>Lead Contact Officer(s):</b>	<b>Mike O'Donnell, Interim Chief Finance Officer</b>
---------------------------------	--

**Telephone No:**  
**E-mail address:**

0121-303-2950  
[mike.o'donnell@birmingham.gov.uk](mailto:mike.o'donnell@birmingham.gov.uk)

### **3. Consultation**

Consultation should include those that have an interest in the decisions recommended.

#### **3.1 Internal**

Cabinet Members, Corporate Directors, the Acting City Solicitor, Human Resources and Assistant Directors of Finance have been consulted in the preparation of this report.

#### **3.2 External**

There are no additional issues beyond consultations carried out as part of the budget setting process for 2017/18.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

The budget is integrated with the Council Financial Plan, and resource allocation is directed towards policy priorities.

#### **4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)**

The Corporate Revenue Budget Monitoring document attached gives details of monitoring of service delivery within available resources.

#### **4.3 Legal Implications**

Section 151 of the 1972 Local Government Act requires the Interim Chief Finance Officer (as the responsible officer) to ensure the proper administration of the City Council's financial affairs. Budgetary control, which includes the regular monitoring of and reporting on budgets, is an essential requirement placed on Directorates and members of the Corporate Leadership Team by the City Council in discharging the statutory responsibility. This report meets the City Council's requirements on budgetary control for the specified area of the City Council's Directorate activities.

#### **4.4 Public Sector Equality Duty (see separate guidance note)**

There are no additional Equality Duty or Equality Analysis issues beyond any already assessed in the year to date. Any specific assessments needed will be made by Directorates in the management of their services.

### **5. Relevant background/chronology of key events:**

- 5.1 At the meeting on 28<sup>th</sup> February 2017, the Council agreed a net revenue budget for 2017/18 of £821.8m to be met by government grants, council tax and business rates payers.
- 5.2 The base budget forecast variations in each Directorate are detailed in Section 2 of the Corporate Revenue Budget Monitoring document, together with the actions presently proposed to contain spending within cash limits. The position is summarised in tabular form in Appendix 1 which incorporates the forecast year end pressures by Directorate.
- 5.3 Directorate risks relating to the Savings Programme and measures being undertaken to alleviate these are detailed in Section 2 of the attached report and the position is summarised in tabular form in Appendix 3.

## **6. Evaluation of alternative option(s):**

- 6.1 Corporate Directors, in striving to manage their budgets, have evaluated all the options available to them to maintain balance between service delivery and a balanced budget.

## **7. Reasons for Decision(s):**

- 7.1 To inform Cabinet of:  
The City Council's 2017/18 revenue budget position and the level of gross pressures identified as at 31<sup>st</sup> May 2017.
- The latest monitoring position in respect of the City Council's Savings Programme and the present risks identified in its delivery.
- To approve:  
The resource allocations as identified in Section 4 of the attached report.
- The writing off of debts over £0.025m as summarised in Appendix 4 of the report.
- The designation of the accountable body funds held by the Council and relating to the Advanced Manufacturing Supply Chain Initiative (AMSCI) and West Midlands, Liverpool and Coventry Region (WMLCR) endowment awards of 2012 for broader supply chain support initiatives across all sectors and industries and endorse the Council with its continuing accountable body role.

Signatures		Date
Assistant Director Corporate Finance	.....	.....
Interim Chief Executive	.....	.....
Deputy Leader	.....	.....

List of Background Documents used to compile this Report:
City Council Financial Plan 2017+ approved at Council 28 <sup>th</sup> February 2017).

List of Appendices accompanying this Report (if any):
1. Corporate Revenue Budget Monitoring Document – Month 2 2. 3. 4. 5.

Report Version	V1.0	Dated	13 <sup>th</sup> July 2017
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# **CORPORATE REVENUE BUDGET MONITORING REPORT 2017/18 MONTH 2**

**(up to 31<sup>st</sup> May 2017)**

## **Section**

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## **Appendices**

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## 1. Executive Summary

- 1.1 Birmingham City Council set its net revenue budget of £821.8m on 28<sup>th</sup> February 2017. This included a savings programme of £70.9m in 2017/18, growing to £171.4m in 2020/21. In addition there are savings from 2016/17 of £12.5m where delivery still needs to be monitored, including where they were met on a one-off basis. Total savings to be met in 2017/18 are therefore £83.4m.
- 1.2 This is the first report to Cabinet for the 2017/18 financial year. At Month 2, a high level forecast projection indicates underspends of £2.4m in the base budget delivery and £15.8m of savings that are not fully achieved in 2017/18, giving a combined net pressure of £13.4m at year end on the budget of £821.8m. The overall position is summarised in Table 1.

**Table 1**

Directorate	Current Budget £m	Base Budget Overspend as at Month 2 £m	Savings not Deliverable (after mitigations) as at Month 2 £m	Total Forecast Overspend as at Month 2 £m
Adult Social Care & Health Directorate	336.980	(3.774)	3.774	0.000
Children & Young People Directorate	211.068	0.727	2.588	3.315
Place Directorate	137.245	1.270	2.374	3.644
Economy Directorate	68.259	0.000	0.000	0.000
Transformation Directorate	24.158	0.000	0.537	0.537
Finance Directorate	18.053	(0.601)	0.090	(0.511)
<b>Sub-total Directorates</b>	<b>795.763</b>	<b>(2.378)</b>	<b>9.363</b>	<b>6.985</b>
Policy Contingency	(1.980)	0.000	0.000	0.000
Other Corporate Items	28.020	0.000	6.400	6.400
<b>City Council General Fund</b>	<b>821.803</b>	<b>(2.378)</b>	<b>15.763</b>	<b>13.385</b>
Housing Revenue Account	0.000	0.000	0.000	0.000

- 1.3 The net overspend of £13.4m is primarily related to Place Directorate (£3.6m), Children and Young People Directorate (£3.3m) and the Future Operating Model (£10.4m), offset by planned mitigations from Budget Planning work of £4.0m. In the case of the first two, this relates to savings delivery challenges and base budget pressures.
- 1.4 There are small forecast overspends in Transformation Directorate and a small net underspend in Finance.

- 1.5 Economy and Adult Social Care and Health are forecasting a balanced position. In relation to Adult Social Care and Health, delays in delivering the savings can be partially mitigated by the application of one off funding from the Improved Better Care Fund (iBCF) and the residual challenge can be accommodated by underspends in the base budget.
- 1.6 It is recognised that this presents a major challenge to the Council and work is ongoing to address this. The position is receiving close scrutiny by the Corporate Leadership Team (CLT) and is being reported to Budget Board on a monthly basis and to Cabinet on a bi-monthly basis.
- 1.7 Further analysis of the Base Budget position can be seen in Appendix 1 and the Savings Programme in Appendix 3.
- 1.8 Section 2 of this report details the overall position on the Base Budget and Savings Programme by Directorate.
- 1.9 Section 3 of this report details the summary position on the Savings Programme.



## 2. Detailed Revenue Commentaries by Directorate

The following paragraphs comment on the major financial issues identified at this point in the year. Detailed figures for each Directorate are shown in Appendix 1.

### 2.1 Adult Social Care & Health

The Directorate is forecasting a balanced position. This is made up of net savings deemed to be not fully achieved in 2017/18 offset by base budget underspends and additional income including the use of £8.3m from the Improved Better Care Fund, which had not been budgeted for.

The new interim Director of Adult Social Care and Health has been in post since April 2017. He has undertaken a review of the budget, savings programmes and the use of resources in the Directorate. He has identified a number of changes which are required to balance the budget in the short term and to establish a sustainable adult social care service in the long term. Inevitably, some of these changes will take time to deliver but actions are being taken to make progress at pace.

#### Base Budget

There is a forecast year end underspend of £3.8m at Month 2. This relates to the following:

- Mental Health Joint Funding – £1.0m additional income  
This relates to Health contributions in relation to Mental Health care packages that are exceeding the budgeted level
- Care Packages - £1.0m underspend  
Early indications are that the commitment relating to Home Support and Residential Care Packages is reducing slightly. Further work is required to identify how this relates to the Directorate savings projects and how far it will be sustained during the year.
- Business Change - £0.5m underspend  
This relates to an underspend of £0.8m for staff vacancies across the service, offset by a forecast overspend on Children's Social Work recruitment of £0.3m.
- Equipment and Adaptations - £1.4m underspend  
This arises through charging a higher amount of equipment expenditure relating to adaptations to capital.
- Deprivation of Liberty Safeguards - £0.3m pressure  
There continue to be pressures arising from the numbers of cases requiring review in this area.
- Other Variations £0.2m underspend  
There are other minor underspends across the Directorate totalling £0.2m.

## Savings Programme

There are £12.1m of savings considered not fully achieved in 2017/18 at Month 2 as identified in Appendix 3. These are summarised below:

- £1.5m Enablement – A refreshed business case is currently being produced and will be available in early July; the main risk associated with this saving continues to be challenge from the unions. Given the risks associated with this saving, £1.5m has been identified as part of £8.1m Improved Better Care Fund (iBCF) mitigation funding.
- £1.7m Better Care at Home (Single Access Points) – There is a risk that the in-year saving will not be met in 2017/18. The original pilot initiative has now become business as usual. Work is taking place with the Occupational Therapy workers in acute settings to ensure new recipients to Social Care have one carer rather than two which is now starting to have some success.
- £4.5m Integrated Community Social Work and Review – There is a risk the anticipated in year savings may be overly ambitious. There are a number of distinct savings lines that make the overall savings target of £5m. It is anticipated the savings of £0.5m on the Care First audit will be met, other savings lines are subject to cabinet reports and approvals.
- £2.0m Supporting People – The budget savings target for Supporting People / third Sector is £3.2m for 2017/18. A review has identified £1.2m of savings. Proposals are being considered to utilise the balance from the iBCF to retain preventative services whilst a longer term strategic approach is developed.
- £0.8m External Day Centres – There are risks linked to the ambitious nature of proposals and timelines for consultation. A plan is in place to deliver £0.2m. Actions are being taken to explore other ways the shortfall of £0.8m could be delivered. These require a new plan and link to proposals which will require full public consultation and will not therefore be deliverable in 2017/18.
- £0.3m Residential Care (Residential Block Contracts) – There are risks of delays due to legal issues. The review of the five residential / nursing care contracts has been put on hold due to legal advice which is subject to further discussion. Work to deliver the savings associated with EAB beds and use of voids is proceeding on course.
- £0.4m Internal Care Review (Care Centres) – This is unlikely to make full savings in 2017/18. New work has been commenced to explore to what extent the savings shortfall can be delivered by making savings across the other three homes. It should be noted that the £0.3m saving carried forward from 2016/17 is on track to be delivered.
- £0.2m Internal Care Review (Learning Disability Short Breaks) – There is a potential shortfall against the saving carried forward from 2016/17.

- £0.7m Internal Care Services (Younger Adults Day Care) – There is currently a projected shortfall of £0.7m against the saving carried forward from 2016/17.

These have been offset by the use of £8.3m from the Improved Better Care Fund to stabilise the current Adult Social Care position. This includes actions to support communities and community based organisations to develop offers that support diversion and avoidance from social care services and to channel shift all Carers assessments to community based Carers Hub, with associated support embedded within communities. It will also develop a more citizen centred approach to social work that develops the community model and alleviates some of the pressures in the health economy. Reconfiguration of enablement services that focus on those with the greatest reablement potential and align care pathways for both community and out of hospital care.

The Directors of Children's and Adults' services have agreed to establish a project to review services and expenditure in the area of transitions. The first step is to prepare a baseline position which will be undertaken by officers in commissioning and operational services and officers in performance and finance. Meetings to initiate this project are underway.

## **2.2 Children & Young People**

The Directorate is forecasting an overspend of £3.3m. This relates to £0.7m pressures on the base budget and savings not fully achieved in 2017/18 of £2.6m.

### **Base Budget**

The base budget pressure of £0.7m relates to the following:

- Education General Fund – £0.2m pressure
  - Travel Assist - while at this point no forecast deficit is being declared, the challenges are significant and have not been helped by delays in, for example, securing a fit for purpose IT system. Further work also still needs to be done by the service on analysing the commitments incurred on Guides. This position will be reported further on in the Month 4 report.
  - Education Services Grant – the final allocation is £0.2m less than budgeted. Compensatory one-off savings have been identified to fully fund the shortfall, in the form of projected net savings on areas such as School Governor Support.
  - PFI / BSF contracts – the increase in indexation costs is presenting an unfunded pressure of £0.6m which the Directorate is expected to consume / absorb. At this point, potential mitigations of £0.5m have been identified, leaving a net pressure of £0.1m.
  - Unattached Playing Fields – progress has been slow due to the complex legal and regulatory issues which need to be taken into account and can vary by playing field. Earmarked resources have now been identified to

accelerate the work on an invest to save type basis and come up with funding / cost reduction solutions. The full year benefit will only be realised in 2018/19. As such, for 2017/18 there are anticipated unfunded net costs of approximately £0.1m.

- Early Help & Children's Social Care- £0.5m
  - No Recourse to Public Funds (NRPF) £0.8m - In recent months there has been an increase in the number of families who are presenting as having no recourse to funds. The pressure represents the forecast costs of providing accommodation and subsistence support for 2017/18 assuming there are no changes to volumes or cost of cases. Several actions are being taken in an attempt to mitigate the position including:
    - Implementation of credit checks on presenting families (Islington model).
    - A review of families granted leave to remain but without recourse to public funds which are still being supported by NRPF team.
    - Work with Children's Advice and Support Service (CASS) managers to achieve 'point of contact' savings with accommodation costs being no longer than one night.
    - Work with Birmingham City Council (BCC) Fraud Team to undertake a review of sample cases to see what support can be provided to address any possible fraud not identified through current assessment process.

The likely financial impact of these actions is still to be determined and is not reflected in the forecast above.

- Secure Remand Custody Cost £0.5m - Judges and magistrates determine if a young person is to be remanded to custody in order to protect the public or protect the young person from self-harm or suicide. Based on the vulnerability assessment of the young person the Youth Justice Board (YJB) then allocates a bed for the remand placement. There are three bed types; Youth Offending Institute (YOI), Secure Training Centres (STC) and Secure Children's Homes (SCH) with STC and SCH beds costing significantly more than YOI's. Any under 15 is remanded to an STC or SCH as is any over 15 assessed as vulnerable.

The forecast pressure arises due to:

- A further decrease in the Youth Justice Board Secure Grant for 2017/18, with the grant for bed nights having decreased by £0.4m – 54% over the past five years.
  - An increase in the actual price to be charged by YJB for the three bed types.
  - A shift in the profile of bed night usage with more young people being accommodated in STC's and SCH's, thus at higher costs.
- Legal Disbursement Pressure £0.6m
- This relates to budget allocation not being adequate to cover the actual costs of disbursements following an exercise to re-base budgets. This exercise is to be reviewed.

These have been offset by a number of mitigations as below:

- A delay in the opening of a specialist 3 bedded remand home, not now expected to open until December will result in an underspend of £0.4m.
- There will be delay in planned staffing recruitment within the Youth Offending service which will result in an underspend of £0.4m if all vacancies are held vacant for remainder of the year. This situation will be reviewed on a month to month basis based on the emerging risks and activities within the service.
- The implementation of a new supported accommodation framework contract from April is expected to reduce costs of existing care packages by £0.1m.
- There has been a reduction in the number of externally commissioned residential and community based assessments resulting in an expected underspend of £0.1m.
- Additional income of £0.2m has been received in respect of several Unaccompanied Asylum Seeking Children (UASC) cases which have been retrospectively approved by the Home Office following the provision of additional information.
- An underspend of £0.2m is expected in relation to Interagency Adoption costs.

The service continues to review service budgets and activities in order to identify further mitigations to deliver a balanced budget.

### **Savings Programme**

There are forecast savings not fully achieved in 2017/18 of £2.6m as summarised below.

- £2.5m Early Years – In terms of implementing the new Health & Wellbeing Contracts and reconfiguration of the Early Years and Childcare Team – both of which are programmed for September. The consultation took longer than expected and this led to a delay in implementation of at least two months, which will impact on delivery of the required savings target – specifically a forecast shortfall of £2.5m.
- £0.1m Education Playing Fields – Progress has been slow due to the complex legal and regulatory issues which need to be taken into account and can vary by playing field. Earmarked resources have now been identified to accelerate the work on an invest to save type basis and come up with funding / cost reduction solutions. The full year benefit will only, however, be realised in 2018/19. As such for 2017/18 unfunded net costs will still be incurred.

## 2.3 Place Directorate (excluding Housing Revenue Account)

The Directorate is reporting a forecast variation of £3.7m, made up of pressures on the base budget of £1.3m and savings not fully achieved in 2017/18 of £2.4m.

### Base Budget

A base budget pressure of £1.3m is forecast at Month 2 relating to pressures of £4.3m offset by mitigations of £3m as outlined below:

- **Waste Management Services £2.0m pressure**  
This is as a result of the impact of the revised implementation plan for the new structure due to the slowing down in consultation (now planned for the end of September) and the proposed property numbers per collection round.
- **Neighbourhood and Community Services £0.5m pressure**  
There are pressures on the Neighbourhood Advisory Information Service (NAIS) of £0.3m, Community Libraries of £0.3m and Community Development of £0.2m. These are offset by savings of £0.3m on Legal Entitlement Advisory Service (LEAS) and Management Services.
- **Community Sport £0.7m net pressure**  
This relates to the externalisation of Alexander Stadium of £1.1m, offset by £0.4m additional management fee income from Sparkhill Pool and non-domestic rate relief at Harborne Pool.
- **Regulatory Services £0.8m pressure**  
There is a £0.5m pressure on the Coroners Service. The remainder relates to Licensing at £0.1m and employee costs for the Registrar Service at £0.2m. This excludes any costs associated with the inquest into the 1974 pub bombings
- **Other variations £0.3m net pressure**  
There are other net variations on a range of services including Markets and Equalities and Community Cohesion offset by underspends on Private Sector Housing, resulting in a net pressure of £0.3m after mitigating underspends.

Place Directorate is currently investigating a number of options that could be used to reduce the base budget pressures and risks on the Savings Programme. These are estimated at up to £3m and are summarised below:

- Community Libraries – increased income through delivering Assisted Digital for benefits / DWP, reducing the use of temporary staff covering vacancies, limiting expenditure on supplies and materials and further efficiencies from bringing the Library of Birmingham and Community Libraries back together
- Library of Birmingham – additional income
- Community Sport & Events – Prudential borrowing savings from the delay in the completion of the New Build and Refurbishment programme

- Use of reserves – use of non-grant Birmingham Adults Education Service (BAES) and Harborne Pool maintenance reserve
- Personal budgeting support

These will continue to be investigated and will be reported on further in future monitoring reports.

### **Savings Programme**

The 2017/18 Savings Programme has savings of £2.4m that may not be delivered at Month 2. These are summarised below.

- £0.1m Local Car Park charges – Charges are implemented but there is a potential price sensitivity
- £0.4m disposal of unwanted / underutilised parks land – a report is being prepared for Cabinet on the proposals for this
- £0.3m Waste Management – this is part of the proposed new operating model
- £0.1m Asset and Property Disposal Programme – There is slippage in the identification of suitable properties
- £0.6m Inreach – There are delays in the development of the four schemes for extension of the market renting scheme and delays in the completion of the scheme at St Vincents Drive which is now expected to be January 2018
- £0.3m Health and Wellbeing Centres – Decommissioning of centres is behind schedule
- £0.3m Income Generation from Cofton Nursery – There is a delay in the build of the new nursery
- £0.3m Markets – There are legal constraints on changes to leases

## **2.4 Economy**

Economy is forecasting a break-even position at Month 2 on both the Savings Programme and the base budget. This is a consequence primarily of a Directorate wide full restructure and new operating model which has resulted in a challenging reduction to resource and which will give rise to a revenue demand to contain the impact of the redundancy payments and pension strain. The new model will require close management and monitoring to ensure that the reductions do not affect the planned service levels. The Directorate also faces a number of challenges this year and next to deliver the savings plans and step-up in savings. Economy is planning to mitigate these emerging and operational pressures internally by bringing forward a comprehensive car parking study and other one-off initiatives, all of which remain under constant review.

## **2.5 Transformation Directorate**

The Directorate is forecasting an overspend of £0.5m. This is made up of savings that are not expected to be delivered in 2017/18. However, they are seeking to take mitigating action which will make up this deficit and this will be reported on in future reports.

### **Base Budget**

A break-even position has been forecast on the base budget.

### **Savings Programme**

There are savings which are not fully achieved in 2017/18 of £3.1m as identified below.

- £0.3m Workforce proposals requiring changes to terms and conditions
- £0.7m Human Resources – HR are working on plans to deliver this and this will be reported on in future monitoring reports
- £2.1m Efficiency savings from 2016/17

These have been offset by £2.6m of mitigations relating to the following:

- £0.5m Housing Benefit Subsidy
- £0.3m Surplus in advertising
- £0.8m use of balances from 2016/17
- £1.0m Invest to Save proposals from council tax collection fund as a result of reduced single person discounts being claimed following reviews

## **2.6 Finance Directorate**

The Directorate is forecasting an underspend position of £0.5m at Month 2. This is made up of an underspend on base budget of £0.6m and savings not fully achieved in 2017/18 of £0.1m.

### **Base Budget**

There is a forecast underspend of £0.6m on the base budget. This relates to underspends on Finance of £0.9m largely on the SAP Development budget and Audit of £0.3m on employee vacancies, offset by the profit share for Acivico being £0.4m



less than the estimated amount assumed in the outturn position for 2016/17 and £0.1m overspend on Highbury Hall and £0.1m on the Portering Service.

### Savings Programme

There are forecast savings not fully achieved in 2017/18 of £0.1m relating to paying suppliers faster in exchange for discounts. At Month 2 only £1.5k of the anticipated income has materialised. The council receives a final benefit each time one of its suppliers accesses early payment in return for a discount. However, if they don't choose early payment then the Council do not get the discount. Demand has been less than anticipated.

## 2.7 Housing Revenue Account

A balanced HRA Budget was approved for 2017/18 (expenditure of £281.7m funded by equivalent income). The budget was based on the continuing national rent policy of -1% that will be implemented in each year from 2016/17 to 2019/20.

At this early stage of the year, a balanced year-end position is projected. The current budgets and the forecast year-end financial position are summarised in the table below:

<b>Service</b>	<b>Current Budget £m</b>	<b>Year End Variation Projection £m</b>
Rent/Service Charges (net of Voids)	(281.7)	0.0
Repairs and Maintenance	64.5	(1.1)
Contributions for Capital Investment	54.0	0.0
Capital Financing Costs	76.5	2.5
Local Office / Estate Services / Equal Pay	86.7	(1.4)
<b>Net Position</b>	<b>0.0</b>	<b>0.0</b>

The projected savings on the Repairs Service reflect strong contract management and lower operational expenditure on empty properties. This, combined with projected savings on operational costs, will be utilised for debt repayment or if necessary to ensure that additional investment is made in high rise tower blocks following the tragedy in London.

The overall strategy for debt repayment is considered appropriate as this is prudent and considered value for money (as interest payments on debt outstanding are greater than interest received on balances). It is also in line with the HRA Self-financing Business Plan for the repayment of debt (the debt repayment has already been re-profiled to take into account the new national rent policy and is expected to be

significantly higher by 2025/26 compared to the original plans that were established in April 2012).

### **2.8 Dedicated Schools Grant (DSG)**

Work is ongoing to make the necessary savings and cost reductions within the High Needs area of DSG. A £6m year-end deficit is currently forecast. This will not impact on the General Fund.

There are issues around the funding of school deficits where they convert to academies under a sponsor Trust. Allied to this are redundancy costs incurred by schools which also fall to the Local Authority. While there is some DSG funding, it is limited and ultimately the funding responsibility will fall onto the Council. The position is being closely monitored with a strong focus on holding schools to account.

### 3. Corporate Summary of the Savings Programme

- 3.4 The Month 2 analysis of the Savings Programme shows that Directorates consider £47.2m (56.5%) of the savings forecast will be delivered in 2017/18 and £123.6m (72.1%) is still considered to be a reasonable estimate of savings by 2020/21. There are £4.9m of savings which are at risk (6%). At this stage, £31.3m (37.5%) is not fully achieved in 2017/18, with £15.6m of mitigations identified. The overall Directorate position at Month 2 is summarised for the City Council in Tables 2 and 3.

**Table 2 – Analysis of 2017/18 Savings Programme**

	On Track £m	One Off £m	At Risk £m	Not fully achieved £m	Total £m
Adults Social Care & Health	5.166	0.000	0.500	12.074	17.740
Children and Young People	4.363	0.000	4.447	2.588	11.398
Economy	8.356	0.000	0.000	0.000	8.356
Place	13.770	0.000	0.000	2.374	16.144
Transformation	12.153	0.850	0.000	3.087	16.090
Finance	0.066	0.000	0.000	0.790	0.856
Cross Cutting	2.454	0.000	0.000	10.400	12.854
<b>Total Savings</b>	<b>46.328</b>	<b>0.850</b>	<b>4.947</b>	<b>31.313</b>	<b>83.438</b>
Mitigations				15.550	
<b>Net savings not fully achieved after mitigations</b>				<b>15.763</b>	

**Table 3 – Savings not fully achieved**

	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Adults Social Care & Health	3.774	4.402	4.402	4.402
Children and Young People	2.588	2.551	12.551	12.551
Economy	0.000	0.250	0.250	0.250
Place	2.374	2.474	2.494	2.514
Transformation	0.537	3.087	3.087	3.087
Finance	0.090	0.090	0.090	0.090
Cross Cutting	6.400	20.460	24.860	24.860
<b>Net savings not fully achieved after mitigations</b>	<b>15.763</b>	<b>33.314</b>	<b>47.734</b>	<b>47.754</b>

- 3.5 The summary is based on a detailed review of each of individual saving. An overview of forecast savings not fully achieved on an ongoing basis by project for each Directorate is shown at Appendix 3.
- 3.6 There are £10.4m of cross cutting savings that are considered to be not fully achieved in 2017/18. These relate to the Future Operating Model. These have been offset by an assumed £4.0m delivery of additional savings generated from the Budget Planning work due to be carried out shortly.

## 4. Resource Allocations and Other Corporate Updates

### 4.1 General Policy Contingency

There is an unallocated balance on the General Policy Contingency of £3.0m.

### 4.2 Specific Policy Contingency

The City Council Financial Plan 2017+ approved by Council on 28<sup>th</sup> February 2017 reflected £9.6m for Specific Policy contingency in 2016/17. A breakdown by each specific contingency is reflected in Appendix 2. It should be noted that the Directorate forecasts have already assumed the allocation of Specific Policy Contingency in year.

The Gateway and Related Financial Approvals Framework requires approval from the Section 151 Officer, in conjunction with the Leader and the Chief Executive, to release funds from Specific Policy Contingency.

As part of the Council's simplification of processes, it is proposed that Cabinet approve that the Section 151 Officer be given delegated authority for the verification and allocation of Specific Policy contingency to fund expenditure which is in line with the approval given as part of the Financial Plan 2017+. Progress on this would be reported to Cabinet as part of the regular Revenue Monitoring reports.

Any requests for funding from Specific Policy contingency that are not in line with the original application in the Financial Plan 2017+ will require approval by Cabinet.

#### Workforce Strategy Team

Cabinet are requested to release a Specific Policy Contingency of £0.206m for the Workforce Strategy Team included in the Financial Plan 2017+.

The budget is required to employ more staff to assist in delivering the workforce savings attributed to changes to employee terms and conditions of employment, workforce planning and the new core offer.

Following extensive consultation and engagement with the trade unions and employees (corporately and in schools), a suite of proposals to deliver the savings was achieved and agreed at Full Council in November 2016. This has required 24,000 employee contracts to be varied (Birmingham Contract) followed by a wholesale contractual change process to ensure that the new contract (Birmingham Workforce contract) was implemented on 1<sup>st</sup> July 2017. The change to terms and conditions has required systems functionality changes and continuing framework and governance development in consultation with the trade unions that will continue until the end of August 2017 following the payment of the non-consolidated payment replacing the performance related incremental increase for 2016/17 and period of stabilisation. The provision of a new employee benefits package as part of the core offer continues and this includes a new flex scheme that will be implemented on 1<sup>st</sup> September 2017.

### 4.3 Transfer of Service Areas

The Council continues to periodically review the Directorate Service responsibilities with the aim of securing the most appropriate service delivery arrangements to ensure that these are delivered effectively in a co-ordinated manner. The latest approved hierarchy is reflected in Appendix 1.

### 4.4 Accountable Body Funds

In 2012, the Council received two Advanced Manufacturing Supply Chain Initiative (AMSCI) funds, a national fund of £100m and a regional fund, West Midlands, Liverpool and Coventry Region (WMLCR) of £25m. Both were paid as endowment funds, i.e. the Council received the amount up in advance of expenditure. The funds were to be used for supply chain support in the form of grants and loan and for the safeguarding and creation of jobs. There were no requirements in the offer letters for any amounts to be repaid to the Department for Business, Energy and Industrial Strategy (BEIS) or Department of Communities and Local Governments (DCLG).

There are some unclaimed amounts, some interest received and some loan repayments. At the moment and expected over the life cycle of the existing loans is a total of approximately £5m. The funds are to be used by March 2019.

The AMSCI Programme Board has put an offer to BEIS to use the funds to

- Deal with any minor variations on existing awards (this is within the existing parameters approved by Cabinet)
- Use for supply chain support across all business sectors (i.e. not just manufacturing)
- Note that the beneficiaries of the grants / loans / equity may be all business sectors and within both public and private arenas

The fund management and governance will be unchanged from all of the AMSCI schemes, and the AMSCI Programme Board (attended by BEIS) will be the recipient of progress reports. A new investment committee, Adhoc Investment Committee, has been assembled with a mix of public and private members. This Investment Committee is intended to deal with a wider array of smaller applicants (the original scheme had a lower limit of £2m and this will be removed for “adhoc” applicants).

Cabinet is recommended to endorse the Council continuing its accountable body role for this broadened purpose.

## Financial Position analysed by Directorate - budget pressures (including budget savings)

Division of Service Area	FULL YEAR BUDGET			YEAR END		
	Original Budget	M'ments	Revised Budget	Base Budget Pressures / (Savings)	Savings Programme not Deliverable	Total
	£'m	£'m	£'m	£'m	£'m	£'m
Corporate Director	9.672	(6.547)	3.125	0.000	0.169	0.169
Adult Packages of Care	166.167	7.675	173.842	(2.000)	5.703	3.703
Assessment & Support Planning	37.358	(0.087)	37.271	0.300	0.113	0.413
Specialist Care Services	40.972	(1.300)	39.672	(0.000)	4.055	4.055
Commissioning Centre of Excellence	40.857	(0.072)	40.786	0.000	1.603	1.603
Business Change	42.145	0.140	42.284	(2.074)	(7.869)	(9.943)
Public Health	0.000	0.000	0.000	0.000	0.000	0.000
<b>Adults Social Care &amp; Health Directorate Total</b>	<b>337.171</b>	<b>(0.191)</b>	<b>336.980</b>	<b>(3.774)</b>	<b>3.774</b>	<b>0.000</b>
Education and Skills	65.455	10.164	75.619	0.239	2.588	2.827
Schools Budgets	(152.219)	(9.314)	(161.532)	0.000	0.000	0.000
Children With Complex Needs	107.589	0.452	108.041	0.000	0.000	0.000
Early Help & Childrens Soc Care	162.753	(0.105)	162.648	0.487	0.000	0.487
Business Change	33.571	(0.060)	33.511	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(7.219)	0.000	(7.219)	0.000	0.000	0.000
<b>Children and Young People Directorate Total</b>	<b>209.929</b>	<b>1.138</b>	<b>211.068</b>	<b>0.727</b>	<b>2.588</b>	<b>3.315</b>
Community Sports & Events	6.503	0.018	6.521	0.700	0.280	0.980
Fleet and Waste Management	57.843	(1.510)	56.333	2.000	0.268	2.268
Parks and Nature Conservation	12.408	0.037	12.445	0.000	0.706	0.706
Bereavement Services	(3.236)	0.023	(3.213)	0.000	0.000	0.000
Markets	(0.926)	0.003	(0.923)	0.200	0.300	0.500
Business Support	1.049	0.002	1.051	0.000	0.000	0.000
Equalities, Cohesion & Safety	0.413	0.001	0.414	0.228	0.099	0.327
Engineering & Resilience Services	0.888	0.006	0.894	0.000	0.000	0.000
Regulatory Services	7.469	0.437	7.906	0.752	0.000	0.752
Private Sector Housing	(1.239)	0.005	(1.234)	(0.074)	0.571	0.497
Neighbourhood Community Services	11.106	0.177	11.283	0.514	0.000	0.514
Birmingham Adult Education	(0.130)	0.020	(0.110)	0.000	0.000	0.000
Central Support Costs	15.720	(0.449)	15.271	(0.050)	0.150	0.100
Culture & Visitor Economy	28.218	0.013	28.231	0.000	0.000	0.000
Shelforce	(0.100)	0.000	(0.100)	0.000	0.000	0.000
City Centre Management	0.059	0.000	0.059	0.000	0.000	0.000
Housing Options	4.987	0.057	5.044	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(2.626)	0.000	(2.626)	0.000	0.000	0.000
Proposed mitigations	0.000	0.000	0.000	(3.000)	0.000	(3.000)
<b>Place Directorate Total</b>	<b>138.405</b>	<b>(1.160)</b>	<b>137.245</b>	<b>1.270</b>	<b>2.374</b>	<b>3.644</b>
Development Management Services	7.619	0.580	8.199	0.000	0.000	0.000
Planning & Regeneration	4.229	(0.509)	3.720	0.000	0.000	0.000
Highways Services	38.045	1.218	39.263	0.000	0.000	0.000
Transportation and Connectivity	50.506	(0.043)	50.463	0.000	0.000	0.000
Employment Services	4.447	0.148	4.595	0.000	0.000	0.000
GBSLEP Executive	0.177	(0.177)	0.000	0.000	0.000	0.000
Birmingham Property	(1.933)	0.000	(1.933)	0.000	0.000	0.000
Marketing Birmingham	1.617	0.000	1.617	0.000	0.000	0.000
Accounting Adjustment/MRP Component of Contract Payments	(37.666)	0.000	(37.666)	0.000	0.000	0.000
<b>Economy Directorate Total</b>	<b>67.041</b>	<b>1.218</b>	<b>68.259</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

## Appendix 1

Division of Service Area	Original Budget			Base Budget Pressures / (Savings)		
	£'m	M'ments £'m	Revised Budget £'m	Savings Programme not Deliverable £'m	Total £'m	
Corporate Strategy	2.383	(0.012)	2.371	0.000	(0.001)	(0.001)
Procurement	(1.643)	0.000	(1.643)	0.000	(0.250)	(0.250)
Human Resources	7.052	0.012	7.064	0.000	1.400	1.400
Elections Office	1.775	0.000	1.775	0.000	0.000	0.000
Legal & Democratic Services	5.330	0.000	5.330	0.000	0.000	0.000
Revenues & Benefits	(1.088)	0.000	(1.088)	0.000	(0.743)	(0.743)
Core ICT	(1.013)	0.000	(1.013)	0.000	0.057	0.057
Charities & Trusts -	0.050	0.000	0.050	0.000	0.000	0.000
Customer Services	9.606	(0.058)	9.548	0.000	0.074	0.074
Communications	1.763	0.000	1.763	0.000	0.000	0.000
<b>Transformation Total</b>	<b>24.216</b>	<b>(0.058)</b>	<b>24.158</b>	<b>0.000</b>	<b>0.537</b>	<b>0.537</b>
City Finance	8.021	(0.947)	7.074	(0.880)	0.030	(0.850)
Birmingham Audit	2.158	0.000	2.158	(0.290)	0.000	(0.290)
Business Transformation	39.740	0.000	39.740	0.000	0.000	0.000
Directorate Wide Rec	(34.146)	0.000	(34.146)	0.000	0.000	0.000
Shared Services Centre	2.119	0.000	2.119	0.069	0.060	0.129
Insurance	(0.006)	0.000	(0.006)	0.000	0.000	0.000
Corporate Resources	1.613	0.000	1.613	0.000	0.000	0.000
Major Projects	0.063	0.000	0.063	0.000	0.000	0.000
Business Loans & Other	(0.582)	0.000	(0.582)	0.000	0.000	0.000
ACIVICO Profit Share	0.019	0.000	0.019	0.500	0.000	0.500
<b>Finance Total</b>	<b>19.000</b>	<b>(0.947)</b>	<b>18.052</b>	<b>(0.601)</b>	<b>0.090</b>	<b>(0.511)</b>
<b>Total Directorate Spending</b>	<b>795.762</b>	<b>(0.000)</b>	<b>795.762</b>	<b>(2.378)</b>	<b>9.363</b>	<b>6.985</b>
Policy Contingency	(1.980)	0.000	(1.980)	0.000	0.000	0.000
Other Corporate Items	28.020	0.000	28.020	0.000	6.400	6.400
<b>Centrally Held Total</b>	<b>26.040</b>	<b>0.000</b>	<b>26.040</b>	<b>0.000</b>	<b>6.400</b>	<b>6.400</b>
Proposed Transfers to / (from) reserves				0.000	0.000	0.000
<b>Net Budget Requirement</b>	<b>821.803</b>	<b>(0.000)</b>	<b>821.803</b>	<b>(2.378)</b>	<b>15.763</b>	<b>13.385</b>
Housing Revenue Account	0.000	0.000	0.000	0.000	0.000	0.000

Policy Contingency Month 2 Monitoring to 31st May 2017

	Original Budget 2017/18	Approvals / Adjustments in Voyager	Revised Budget 2017/18	Approvals / Allocations not yet in Voyager as at 31st May	Proposals awaiting approval at 31st May	Remaining Contingency if proposals approved
	£'000	£'000	£'000	£'000	£'000	£'000
Car Park Closure Resources	252		252			252
Carbon Reduction	1,034		1,034			1,034
Auto-enrolment in Pension Fund	300		300			300
Inflation Contingency	7,542		7,542			7,542
Highways Maintenance	1,000		1,000			1,000
Improvement Expenditure	6,951		6,951		(206)	6,745
Apprenticeship Levy	1,303		1,303			1,303
Capital Receipts Flexibility	(8,740)		(8,740)			(8,740)
Subtotal Specific Contingency	9,642	0	9,642	0	(206)	9,436
General Contingency	2,988		2,988			2,988
<b>Total Contingency excluding Future Operating Model savings</b>	<b>12,630</b>	<b>0</b>	<b>12,630</b>	<b>0</b>	<b>(206)</b>	<b>12,424</b>
Future Operating Model - savings to be allocated	(14,610)		(14,610)			(14,610)
<b>Total Contingency excluding Future Operating Model savings</b>	<b>(1,980)</b>	<b>0</b>	<b>(1,980)</b>	<b>0</b>	<b>(206)</b>	<b>(2,186)</b>



**Directorate Savings Programme – Position at Month 2****Adults Social Care and Health savings not forecast to be achieved ongoing**

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
	Improved Better Care Fund	(8.300)	0.000	0.000	0.000
HW3	Enablement	1.500	0.000	0.000	0.000
HW11	Adult Community Access Points	0.000	0.500	0.500	0.500
HW5	Better Care at Home (Single handed Project)	1.700	1.000	1.000	1.000
MYR1	Integrated Community Social Work & Review and audit of Care First payments system	4.500	0.000	0.000	0.000
HW1	Supporting People	2.000	0.000	0.000	0.000
HW8	External Day Centres	0.800	1.800	1.800	1.800
HW9	Residential Care (Residential Block contracts)	0.300	0.000	0.000	0.000
MIA18*	Internal Care Review - Care Centres	0.400	0.000	0.000	0.000
MIA21*	Internal Care Review - Learning Disability Short Breaks	0.172	0.000	0.000	0.000
MIA5 (16/17)	Internal Care Services - Younger Adults Day Care	0.702	0.702	0.702	0.702
MIA14 (16/17)	Introduce charges for Telecare and reducing spend on joint equipment contracts	0.000	0.400	0.400	0.400
<b>Grand Total</b>		<b>3.774</b>	<b>4.402</b>	<b>4.402</b>	<b>4.402</b>

**Children's and Young People savings not forecast to be achieved ongoing**

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
P22*	Step up of previous Early Years savings	2.500	0.000	0.000	0.000
MIA2*	Design and Implement a new approach to Transitioning children with complex needs and Disabilities [SEND] and move away from a high dependency model	0.000	0.000	10.000	10.000
MIA3 (16/17)	Promote independent travel and reduce reliance on council funded transport	0.000	2.463	2.463	2.463
P24 (15/16)	Partial Development of Education Playing Fields	0.088	0.088	0.088	0.088
<b>Grand Total</b>		<b>2.588</b>	<b>2.551</b>	<b>12.551</b>	<b>12.551</b>

## Place savings not forecast to be achieved ongoing

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
EGJ7*	Business Support Commercial Model	0.000	0.052	0.072	0.092
JS1 & EGJ6	Museum & Heritage Service	0.000	1.000	1.000	1.000
JS5 & PL40ga	Local Car Park Charges	0.099	0.000	0.000	0.000
SN45*	Disposal of unwanted/under utilised parks land (8 acres per year)	0.200	0.000	0.000	0.000
HN5	Street Cleaning & Refuse Collection (Waste Mgm Efficiency & Income Targets Prog)	0.062	0.000	0.000	0.000
HN3	Charging for traders to access Household Recycling Centres - (Waste Management Efficiency Savings and Income Targets Programme)	0.075	0.000	0.000	0.000
SN6*	Reduce Reuse Recycle - Reconfiguration of waste collection services	0.075	0.000	0.000	0.000
SN7*	Reduce Reuse Recycle - Reduce failures/failed waste collections - Waste Management Efficiency Savings and Income Targets Programme	0.021	0.000	0.000	0.000
SN15*	Reduce Reuse Recycle - Align Clinical Waste collections with NHS policy	0.035	0.000	0.000	0.000
HN7	Asset & Property Disposal Programme	0.100	0.000	0.000	0.000
HN8	Library of Birmingham (& Rep Theatre)	0.050	0.000	0.000	0.000
MYR4	InReach - Extension of Market Renting Scheme	0.271	0.000	0.000	0.000
SN40	Options for extending Council's rented property office (INReach housing programme)	0.300	0.000	0.000	0.000
HW2	Review future options for Wellbeing Centres and Community Hubs	0.050	0.000	0.000	0.000
SN26*	Discontinue Non Framework Contract at Health and Wellbeing Centres	0.230	0.000	0.000	0.000
SN26 (16/17)	Discontinue subsidies Non Framework Contract at Health and Wellbeing Centres	0.000	0.316	0.316	0.316
SN28 (16/17)	Reduction in costs (Parks)	0.000	0.300	0.300	0.300
SN32 (16/17)	Income Generation from Cofon Nursery	0.306	0.306	0.306	0.306
SN45 (16/17)	Disposal of unwanted/under utilised parks land (8 acres per year)	0.200	0.200	0.200	0.200
PL26 (16/17)	Markets	0.300	0.300	0.300	0.300
<b>Grand Total</b>		<b>2.374</b>	<b>2.474</b>	<b>2.494</b>	<b>2.514</b>

## Economy savings not forecast to be achieved ongoing

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
JS4b	Combined Authority contribution reduction	0.000	0.250	0.250	0.250
<b>Grand Total</b>		<b>0.000</b>	<b>0.250</b>	<b>0.250</b>	<b>0.250</b>

## Finance savings not forecast to be achieved ongoing

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
E25 (16/17)	Support Services	0.700	0.700	0.700	0.700
CC22 (16/17)	Pay suppliers faster in exchange for discounts	0.060	0.060	0.060	0.060
WOC2 (16/17)*	Improving Efficiencies	0.030	0.030	0.030	0.030
	Mitigation - GR/IR income collection	(0.500)	(0.500)	(0.500)	(0.500)
	Mitigation - Duplicate payments to suppliers recovery	(0.200)	(0.200)	(0.200)	(0.200)
<b>Grand Total</b>		<b>0.090</b>	<b>0.090</b>	<b>0.090</b>	<b>0.090</b>

## Cross cutting savings not forecast to be achieved ongoing

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
WOC1*	Workforce proposals requiring changes to terms and conditions	0.000	0.000	0.000	0.000
CC2 / WOC2 / E20/E24/E25*	Future Operating Model / Improving efficiencies	10.400	24.460	28.860	28.860
Mitigation 1	Proposed mitigations in 2017/18	(4.000)	(4.000)	(4.000)	(4.000)
<b>Grand Total</b>		<b>6.400</b>	<b>20.460</b>	<b>24.860</b>	<b>24.860</b>

## Transformation savings not forecast to be achieved ongoing

Ref	Description	2017/18 Not fully achieved £m	2018/19 Shortfall / (Surplus) £m	2019/20 Shortfall / (Surplus) £m	2020/21 Shortfall / (Surplus) £m
	Proposed one-off mitigations in 2017/18	(2.550)	0.000	0.000	0.000
WOC1*	Workforce proposals requiring changes to terms and conditions	0.281	0.281	0.281	0.281
E5*	Make Digital Birmingham self-funding	0.050	0.050	0.050	0.050
E20b (16/17)	Human Resources	0.680	0.680	0.680	0.680
E20d.9 (16/17)	Corporate Strategy	0.006	0.006	0.006	0.006
WOC2 (16/17)*	Improving efficiencies	1.422	1.422	1.422	1.422
WOC2 (16/17)	Improving efficiencies	0.648	0.648	0.648	0.648
<b>Grand Total</b>		<b>0.537</b>	<b>3.087</b>	<b>3.087</b>	<b>3.087</b>

## Write-off of Irrecoverable Housing Benefit, Council Tax and Business Rates

### a. Irrecoverable Housing Benefit

In circumstances where Housing Benefit overpayments are identified as not being recoverable, or where recovery is deemed uneconomic, the City Council's Financial Regulations and delegated powers allow for these overpayments and income to be written off. All possible avenues must be exhausted before such write offs are considered. Amounts already written off will still be pursued should those owing the Council money eventually be located or returned to the city.

The cost to the Council of writing off these irrecoverable sums will be charged to the City Council's provision set up for this purpose, which includes sums set aside in previous years to meet this need. There is no direct effect on the revenue account.

Cabinet are requested to approve the writing off of one separate Housing Benefit debt to the Council which is greater than £0.025m totalling £0.030m as detailed in Section (c) of this Appendix.

In 2017/18, from 1<sup>st</sup> April 2017 to 31<sup>st</sup> May 2017, further items falling under this description in relation to Benefit overpayments have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £0.5m, which Members are asked to note.

<b>Age analysis</b>	<b>Up to 2011/12</b>	<b>2012/13 – 14/15</b>	<b>2015/16 – 17/18</b>	<b>Total</b>
	£m	£m	£m	£m
Benefit Overpayments	0.010	0.113	0.367	0.490
<b>Total</b>				<b>0.490</b>

Section (d) of this Appendix gives a more detailed age analysis of overpayments and income written off.

### b. Irrecoverable Council Tax & Business Rates

All Council Tax and Business Rates are due and payable. However, there are certain instances where the amount of the bill needs to be either written off or reduced (e.g. where people have absconded, have died, have become insolvent or it is uneconomical to recover the debt).

If an account case is subject to this, then consideration is given to write the debt off subject to the requirement for Service Birmingham Revenues to consider all options to recover the debt, prior to submitting for write off. However, once an account has been written off, if the debtor becomes known to the Revenues Service at a later date, then the previously written off amount will be reinstated and pursued.

In respect of Business Rates, where a liquidator is appointed, a significant period of time is taken to allow for the company's affairs to be finalised by and to subsequently determine if any monies are available to be paid to creditors. Once it is established this is not to happen, a final search of Companies House is undertaken to confirm the company has been dissolved.

Cabinet are requested to approve the writing off of business rates debts to the Council which are greater than £0.025m, totalling £0.7m as detailed in Section (c) of this Appendix. Further information in respect of these is available on request.

In 2017/18, from 1<sup>st</sup> April 2017 to 31<sup>st</sup> May 2017, further items falling under this description in relation to Council Tax and Business Rates have been written off under delegated authority. The table below details the total approved gross value of these amounts written off of £3.2m, which Members are asked to note.

Age analysis	Up to 2011/12	2012/13 - 14/15	2015/16 -17/18	<b>Total</b>
	£m	£m	£m	<b>£m</b>
Council tax	1.903	-	-	<b>1.903</b>
Business rates	1.296	-	-	<b>1.296</b>
<b>TOTAL</b>	<b>3.199</b>	-	-	<b>3.199</b>

Section (e) of this Appendix gives a more detailed age analysis of overpayments and income written off.

c. Write Offsi) Housing Benefit and Business Rates

Case No.	Supporting Information Further information in respect of the Business Rates Write Offs listed below is available on request.	Total Debt £
<b>Housing Benefit</b>		
1	Liability Period(s)/Account Ref Number(s) Housing Benefit due for period 11/9/06-26/7/15 – 3100217990	30,158.24
<b>Business Rates</b>		
1	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/03/12-29/7/12 - 6004830399	26,748.20
2	Liability Period(s)/Account Ref Number(s) Business Rates due for period 14/8/09-31/3/10 – 6005416426	308,672.60
3	Liability Period(s)/Account Ref Number(s) Business Rates due for period 30/08/13-15/06/15 - 6005126732	43,909.86
4	Liability Period(s)/Account Ref Number(s) Business Rates due for period 10/09/15-08/5/16 - 6005525944	28,289.52
5	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/04/14-13/07/15 - 6005164129	29,735.18
6	Liability Period(s)/Account Ref Number(s) Business Rates due for period 01/4/15-21/1/16 – 6005399864	110,201.75
7	Liability Period(s)/Account Ref Number(s) Business Rates due for period 24/3/14-22/2/16 – 6005415025	43,774.92
8	Liability Period(s)/Account Ref Number(s) Business Rates due for period 29/3/08-30/09/08 – 6004417989	25,879.95
9	Liability Period(s)/Account Ref Number(s) Business Rates due for period 18/9/09-25/4/12 – 6004616533	58,243.01
10	Liability Period(s)/Account Ref Number(s) Business Rates due for period 24/03/14-22/2/16 – 6005415025	43,774.92

## d. Age analysis of Overpayments and Debts written off under delegated authority by Revenues and Benefits Division

Detail	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total	No of Debtor
Housing Benefit debts written off under delegated authority	£396	£2	£778	£2,310	£1,182	£5,568	£18,571	£23,440	£70,549	£125,239	£224,449	£175,11	£489,995	1275

Debt Size	Small		Medium		Large
Cases	>£1,000	Cases	£1,001-£5,000	Cases	£5,000-£25,000
1067	£182,448	197	£223,345	11	£84,201

**e. Age analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division**

Detail	1997-2006/7	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Total
Council tax written off under delegated authority	£242,437	£95,474	£91,955	£282,441	£654,011	£536,811							£1,903,128
Business rates written off under delegated authority	£76,947	£161,489	£597,592	£459,725	-	-	-	-	-	-	-		£1,295,754
TOTAL	£339,384	£256,963	£689,547	£742,166	£654,011	£536,811							£3,198,882

**Debt size analysis of overpayments and debts written off under delegated authority by Revenues and Benefits Division**

Grouped by value	Small (<£1,000)		Medium (£1,000 - £5,000)		Large (>£5,000)		TOTAL	
	Value	Cases	Value	Cases	Value	Cases	Value	Cases
Council tax written off under delegated authority	£1,733,236	6106	£169,892	133			£1,903,128	6239
Business rates written off under delegated authority	£242,042	616	£690,370	314	£363,341	46	£1,295,754	976
TOTAL	£1,975,279	6722	£850,262	447	£363,341	46	£3,198,882	7215



<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>Chief Executive</b>	
<b>Date of Decision:</b>	<b>25<sup>th</sup> July 2017</b>	
<b>SUBJECT:</b>	<b>MANAGEMENT OF WORKFORCE REDUCTIONS FOR 2017-18</b>	
<b>Key Decision:</b>	<b>Relevant Forward Plan Ref:</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>	
<b>Relevant Cabinet Member(s)</b>	<b>Councillor Ian Ward – Deputy Leader</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Mohammed Aikhlaq– Corporate Resources and Governance</b>	
<b>Wards affected:</b>	<b>ALL</b>	
<b>1. Purpose of report:</b>		
<p>1.1 This report outlines the current approach taken by the City Council in respect of achieving the required workforce reductions associated with the budget savings for 2017-18. It makes recommendations in respect of future policy and practice for the management of the non -schools workforce reductions.</p>		
<b>2. Decision(s) recommended:</b>		
<p>That Cabinet:</p> <p>2.1 Agrees to delegate to the Chief Executive the authority to implement a Council wide (non-schools) voluntary redundancy trawl on the terms outlined in paragraph 5.2 of this report and subject to the controls identified in paragraph 5.5 of this report.</p> <p>2.2 Agrees to delegate authority to the Chief Executive to undertake a further Council wide or targeted voluntary redundancy trawl later in 2017-18 if she identifies that it would facilitate an additional opportunity to secure headcount reductions and financial savings.</p>		
<b>Lead Contact Officer(s):</b>	Kate Charlton – City Solicitor and Monitoring Officer Dawn Hewins – HR Director	
<b>Telephone No:</b>	<u><a href="mailto:kate.charlton@birmingham.gov.uk">kate.charlton@birmingham.gov.uk</a></u>	
<b>E-mail address:</b>	<u><a href="mailto:dawn.hewins@birmingham.gov.uk">dawn.hewins@birmingham.gov.uk</a></u>	
<b>3. Consultation</b>		
<p>3.1 <u>Internal</u></p> <p>The Deputy Leader, the Corporate Leadership Team (CLT) and the corporate trade unions have been consulted on the proposals contained within this report.</p>		

### 3.2 External

The approach of the Council has always been to minimise any negative impacts of budget or workforce reductions on the public and the work of partner organisations. The voluntary redundancies proposed here will in general be related to fulfilling the budget proposals already agreed in the Council's February 2017 budget report and consultation processes will either have already taken place or are in hand. However officers will work with elected members, partners and the communications team to ensure any further implications are fully understood.

## 4. **Compliance Issues:**

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

Yes the proposals contained within this report support the ambition have a workforce with the right skills and profile to deliver the Council vision.

### 4.2 Financial Implications (Will decisions be carried out within existing finance and Resources?)

The Council took advantage of the relaxation in the application of capital receipts, announced in the Chancellor's 2015 Spending review, in developing its plans to meet the corporate cost of redundancy wholly from capital receipts in 2016/17 and 2017-18 so as to enable the achievement of the necessary reduction in future revenue costs and/or facilitate the transformation of service delivery. Any associated pension strain costs remain the responsibility of the service to fund.

The proposals for pay in lieu of notice (PILON) are expected to be cash neutral to the Council, provided that the business does not acquire temporary resources to deliver services during transition to a new structure due to the early exit of employees. The departure of the employee being as quickly as possible can be advantageous to both the Council as employer and employee but this would need to be decided according to the needs of the business and in consultation with the employee. If an employee leaves early, the costs that the Council would have otherwise incurred had the employee served his/her notice would simply be paid as an upfront sum to encourage early exit and thus providing a saving as soon as possible. Any payment for PILON will be taxable and subject to NI deductions. As it is part of normal pay, it will be a cost to the service.

Based on a prediction of c1200 leavers in total, the lump sum payment due to employees could potentially cost the Council up to a maximum of around £3.9m including employer National Insurance contributions, leavers. . Based on historic trends, no more than around 70% of the exits are likely to receive the lump sum payment, making the forecasted costs around £2.8m.

It is anticipated that the average redundancy payment will be approximately £18.7k over the next few financial years, and therefore the anticipated redundancy costs for the c1200 leavers is approximately £22.4m. Combining this with the proposed lump sum payment, the anticipated costs are expected to be around £26.3m. As part of its medium term financial planning the Council has allocated £27m for redundancy costs for 2017-18 and a further £10m for 2018-19.

Each case for voluntary redundancy is examined to evaluate the ongoing implications for the Council, including financial. The process reduces risks and promotes value for money in the process, by comparing the costs of the redundancy with the associated annual savings at the point of exit

#### 4.3 Legal Implications

The Council has an established redundancy policy which is that we make a payment in accordance with the statutory provisions save that there is no cap on the weekly salary used for the purpose of calculation. On an annual basis consideration is given to whether there is a business case for offering an enhanced offer to facilitate voluntary redundancies.

The regulations called The Public Sector Exit Payment Regulations 2016 are contained in The Enterprise Bill 2015/2016, and even though the draft regulations have been laid before Parliament, they are not yet in force and are currently being reviewed, so are not likely to come into force until sometime after August 2017.

These regulations propose a cap of £95,000 on the total aggregate value of exit payments made to most public sector workers, which currently includes for the purposes of redundancy, the redundancy payment, any payment in lieu of notice and any pension strain cost to the employer.

The Enterprise Bill also contains proposals requiring public sector employees who receive a termination/settlement payment to pay this back to their original employer, if they commence alternative employment with another public sector employer within 12 months of leaving the previous public sector employer. Further government proposals could restrict the ability of public sector employees to retire early, when made redundant. Consultation has recently closed on all of these proposals and it is not clear when or if they will come into force.

Any policy or practice that has the effect of treating employees differently must not create direct or indirect discrimination, otherwise risk successful discrimination claims from affected employees. The Exit Payment Cap regulations are potentially inherently age discriminatory; various legal commentaries including SOLACE have formed this view.

By way of example, there is a risk that employees with long service who as a result of their age trigger entitlement to early retirement on redundancy may not be approved for VR or not selected for CR so that Directorates do not carry any Pension strain cost. Compared to those employees with shorter service and likely younger age group within the ring fence for CR/VR.

A Council wide VR trawl after implementation of the Exit Cap Regulations comes into force would require analysis of individual cases.

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

The proposed policy will be applied consistently across the non -schools Council workforce. Schools are not directly affected by the budget savings proposals. The application of voluntary redundancy will be consistently monitored as decisions are made to avoid any potential disparate impact.

**5. Relevant background/chronology of key events:**

5.1 The Council reviews its approach to managing the reduction of the (non –schools) workforce on an annual basis as part of its collective consultation process between management and the recognised trade unions. The objectives for the Council are:

- To ensure that it takes all practicable steps to mitigate against the need to make compulsory redundancy,
- To speed up the making of savings to ensure minimising of job losses
- To release employees who feel able to leave due to their personal circumstances
- To ensure that the employees with the right values and skills and abilities are retained.

This latter point is particularly important because there have been concerns in the recent past from members and other employees about letting go staff whose skills were actually needed for the business and whose departure caused problems for services.

5.2 The approach established for 2016-17 and adopted thus far for 2017-18 has focused on a range of targeted measures that minimised a feeling of cross organisation instability, by ensuring that reductions in posts were addressed through specific service redesigns. The measures were as follows:

- a. Lateral moves
- b. Recruitment freeze
- c Stopping using agency staff
- d Voluntary redundancy offer for those whose posts are directly at risk.

The voluntary redundancy (VR) offer is either the equivalent of pay in lieu of notice or where an employee cannot be released immediately a lump sum of £3,000. Both are subject to tax and NI.

- 5.3 The proposed reductions in the workforce for 2017-18 are ambitious and challenging to implement with as little damage to services as possible and include three core components:
1. Future Operating Model related proposals
  2. Other savings proposals already consulted on
  3. Re profiled reductions from 2016-17 S188 and budgetary proposals
- It has been recognised that there were difficulties in achieving the required headcount reductions in **2016-17** which were 300 off the originally anticipated target. In total we lost 208 on the grounds of VR and 40 on the grounds of compulsory redundancy. We originally had £17m put aside for redundancy costs for 2016-17 but spent circa £3m.
- 5.4 In the context of the difficulties experienced in securing the required savings in 2016-17 and the complexity associated with some of the savings proposals for this year the business has identified that it would be advantageous to have the capability to offer VR on a wider basis in order to secure savings through headcount reductions at pace. The imminent implementation of the Exit Cap Regulations will be seen by some employees as a final opportunity to secure a less fettered package and thus a wider VR offer is likely to be particularly attractive in the coming months. It is proposed that an initial Council wide voluntary redundancy trawl is undertaken during the summer.
- 5.5 It is acknowledged that historically there has previously been an organisation wide voluntary redundancy trawl which retrospectively was deemed to have led to a drain of critical talent and organisational knowledge. The lessons learnt from that experience have shaped the recommended controls that will be put in place to manage this process, which are as follows:
- a) The creation of a cross – council officer group which rigorously looks at consistency of application and is in place which reviews the business case for acceptance and refusal and the financial and equality implications
  - b) All applications are assessed against the established criteria which includes; ability to replace critical skills and knowledge and to recoup costs of the package within a maximum of 24 months
  - c) As part of business case justifying ‘early leavers’ workforce plans will need to be in place to provide lead in time for a talent pool to provide seamless succession and knowledge transfer to other employees (this may seem in contradiction to the proposal for people to leave quickly but this will need to be managed on a case by case basis)
  - d) Core groups where there are established difficulties in recruitment and retention are identified and excluded from the VR offer
  - e) Community Schools are excluded from the application of this policy as they are not operating within the same organisational pressures or timelines.
- 5.7 It should be noted that any reductions in headcount within services that are funded from specific resources, such as within the Housing Revenue Account or from certain grants, will yield costs and savings that will be ring fenced to that budget.
- 5.8 It is recognised that some of the proposals for future savings will not be fully formed by September. Therefore there may be some efficacy in considering a further trawl, potentially more targeted later in the financial year.

**6. Evaluation of alternative option(s):**

- 1) Continue with current redundancy offer 2017/18 and manage redundancies so that only employees identified as 'at risk' are afforded any VR package.
  - a) This option will not support service reviews and pace and earlier delivery of savings targets; and
  - b) In view of the of the proposed Exit Cap regulations, and the inherent litigation risk phasing of exit dates will still require corporate moderation and approval.
- 2) Not implement any terminations until after the Exit Cap comes into force at a date yet to be determined
  - a) Actual implementation date not yet known, so this would delay service reviews considerably and also impact on the delivery of savings targets on an on-going basis
  - b) It would not be considered sustainable to delay as savings targets timescales would be delayed significantly until then
- 3) Not effect corporate wide VR trawl until after the Exit Cap comes into force
  - a) Actual implementation date not yet know, so this could impact on Directorate's ability to deliver savings targets at pace and redesign services.
  - b) May reduce inherent litigation risk, as all employees will be subject to consequences of Cap and not as determined by the organisation.
- 4) No enhanced payments for voluntary redundancy, (i.e. compulsory redundancy)
  - a) Unlikely to attract the numbers required to meet the savings target
  - b) Has a longer implementation timescale

**7. Reasons for Decision(s):**

- 7.1 To ensure that the Council secures its required workforce reductions within the prescribed timelines and financial resources.

**Signatures:****Date:**

Deputy Leader;

Councillor Ian Ward

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Chief Executive

Stella Manzie

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<b>List of Background Documents used to compile this Report:</b>
None
<b>List of Appendices accompanying this Report (if any):</b>
None

<b>Report Version</b>	<b><u>V10</u></b>	<b>Dated</b>	<b><u>06/07/17</u></b>
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# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Corporate Director, Economy</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>INCENTIVISING SELF-BUILD IN THE CITY</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003723/2017</b>
<b>Relevant Cabinet Member(s):</b>	<b>Councillor John Clancy, The Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn, Housing and Homes Councillor Mohammed Aikhlaq, Corporate Resources and Governance</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
1.1 To present proposals to enable the development of self and custom build homes in the City.

<b>2. Decision(s) recommended:</b>
That Cabinet:-
2.1 Approves the proposal to enable the development of new homes for self and custom build in the City;
2.2 Delegates to the Leader and the Corporate Director of Economy, approval to identify and dispose of suitable Council owned sites for self and custom build;
2.3 Authorises the Corporate Director of Economy to apply for grant or loan funding to support self and custom build from any available funding sources including, but not limited to, the Homes and Communities Agency and the Local Enterprise Partnership.
2.4 Authorises the Assistant Director of Property (Interim) to negotiate terms for the disposal of any sites for self or custom build subject to achieving best consideration.
2.5 Authorises the City Solicitor to take any steps/enter legal agreements needed to bring the above into effect.

<b>Lead Contact Officer(s):</b>	Clive Skidmore, Head of Housing Development, Economy Directorate
<b>Telephone No:</b>	0121 303 1667
<b>E-mail address:</b>	<a href="mailto:Clive.skidmore@Birmingham.gov.uk">Clive.skidmore@Birmingham.gov.uk</a>

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>3.1.1 The Assistant Director (Property) and the Service Director (Housing Transformation) have been consulted and support the recommendations within this report.</p> <p>3.1.2 Officers in Legal Services, City Finance, Procurement, Birmingham Property Services, and the Place Directorate have been involved in the preparation of this report.</p> <p>3.1.3 The Cabinet Member Housing and Homes has been consulted regarding the contents of this report and supports the proposals coming forward for an Executive Decision.</p> <p>3.1.4 Local ward councillors, parish and town council members will be consulted as each site is identified as a potential self-build opportunity.</p> <p>3.2 <u>External</u></p> <p>3.2.1 Residents will be consulted as part of the planning application process.</p>
<b>4. Compliance Issues</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>4.1.1 This proposal responds to the Council's key priorities:</p> <p>Children – a great place to grow up in - – new homes will be developed which will provide a safe, warm, sustainable and connected home in which our children can thrive;</p> <p><u>Housing</u> - a great place to live in - the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to accelerate housing growth in the city;</p> <p><u>Jobs and Skills</u> – Skills – a great place to succeed in - development activity will help to create jobs and support supply chain industries, supporting the local economy;</p> <p><u>Health</u> - Health – a great place to grow old in - the links between health and housing are well recognized. Self and custom house building provides an opportunity for people to design homes customized to their personal health and wellbeing needs.</p> <p>4.1.2 There are no identified implications for the Birmingham Business Charter for Social Responsibility (BB4CSR).</p> <p>4.2 <u>Financial Implications</u></p> <p>4.2.1 The disposal of Council owned sites for self and custom build will generate capital receipts which will be used to fund Council priorities. In order to achieve best consideration, disposals will be at market value which will be demonstrated through either a competitive process or benchmarking comparable sites. In the event that the land disposed of in this way is housing land, the capital receipt must either be utilised for housing investment purposes, or will require a transfer of debt from the HRA to the General Fund if the receipts are used for non-housing purposes. It is not anticipated that the capital receipts generated will be material. The development costs of the new homes, including Planning Permission, will be met by the self-builders. The development of new homes on the sites sold by the Council will generate Council Tax income, and may lead to a reduction in the revenue costs associated with maintaining and securing empty sites.</p>

#### 4.3 Legal Implications

##### 4.3.1 Local authorities have powers to dispose of land under S123 of the Local Government Act 1972 and S32 of the Housing Act 1985 (General Consent A).

Under the Self-build and Custom Housebuilding Regulations 2016 (S.I.2016/950); and Self-build and Custom Housebuilding (Time for Compliance and Fees) Regulations 2016 (S.I.2016/1027), local authorities are required by law to keep a register of individuals and associations of individuals who are seeking to acquire serviced plots of land in the authority's area and to have regard to that register when carrying out their functions. Unless exempt, they also have a legal duty to grant sufficient 'development permissions' to meet the demand for self-build and custom house building in their area.

#### 4.4 Public Sector Equality Duty

An Equality Assessment (EA002123) has been completed which indicates that there are no implications for protected groups arising from this report.

### 5. **Relevant background/chronology of key events**

- 5.1 Self-build and custom build (SCB) provide routes into home ownership for individuals and groups who want to play a role in developing their own homes. Activity in this area has increased in recent years and self-build schemes currently deliver around 10,000 homes per year in the UK. The Government has taken steps to raise the profile of self-build through a series of measures including easing constraints in the planning systems, cutting taxes for self-build developments, providing a number of funds to assist individuals and communities to self-build, and by releasing public land for self-build projects.
- 5.2 This report sets out proposals to enable self and custom build in Birmingham and to assist potential self and custom builders to realise their aspiration to build their own home. The Council's Housing Strategy sets out a number of proposals to drive housing growth in the city and the development of a policy to support self-build is consistent with the objectives of this Strategy. The Council's policy is to facilitate self-build by ensuring that a requirement to provide opportunities for self-build within site specific Supplementary Planning Documents such as the Langley SPD and through an update of the Affordable Housing SPD. The Council will also dispose of land for self-build subject to the criteria set out at 5.7. The Birmingham Design Guide currently being developed will include design related guidance for SCB Housing.
- 5.3 'Self-build' is when the end user directly organises the design and construction of their home. The most traditional is where the self-builder selects the design and undertakes much of the actual construction work themselves. However, self-build also includes projects where the self-builder arranges for an architect/ contractor to build their home for them; and those which are delivered by kit home companies. Some community-led projects are also defined as self-builds as the members may organise and undertake a proportion of the construction work themselves.
- 5.4 'Custom Build' tends to be when the end user works with a specialist developer to help deliver their home. These organisations can take on most of the work from securing or

providing a site to managing the construction work and even arranging the finance. This is a more 'hands off' and de-risked approach.

- 5.5 There is already a dedicated Self and Custom Build webpage on the Council's website with concise information on the purpose of the register, eligibility and a form to apply to the register. The Council will use the register to assess demand for SCB and opportunities that arise will be directly advertised to those on the register in the first instance. It is proposed to build upon the current Birmingham SCB web page to provide links to projects, information and resources relating to SCB housing.
- 5.6 SCB will also be promoted through site specific Supplementary Planning Documents (SPD), master plans, and frameworks such as the Langley SPD which requires land to be reserved for SCB housing and through an update of the Affordable Housing SPD.
- 5.7 The criteria for selection of sites as suitable for self-build are likely to be-
- A proportion of major private sector led development schemes;
  - Small sites owned by the Council which are uneconomic for the Council to develop itself through the BMHT – likely to be single plots;
  - Sites owned by the Council which are unlikely to generate a high capital receipt;
  - Sites in areas where demand for self-build is well-evidenced.
- 5.8 In terms of making available sites for SCB, these will be offered to people registered on the Council's self-builders register in the first instance on a competitive basis. While it will be the Council's preference that sites are paid for "up front" by self-builders, in order to encourage self-build, it is proposed that the Council can use the methodology set out below to market and dispose of suitable land specifically for SCB when appropriate. The method will enable the Council to control development and meet the legal requirement for best consideration. In addition, this approach will make it easy for potential self-builders to find plots, and will help them to afford to build their own homes by deferring payment for the land.
- 5.9 The basic sale structure would provide for the Council to enter into a development lease with any nominated Group or individual, which would enable them to secure and develop land. Under such agreement, the Group / individual would develop the site under licence and on practical completion of the development / plot, the Group / individual would complete a long (125 year) lease which would be subject to a deferred land premium equivalent to the plot value of the constructed dwelling.
- 5.10 The deferred premium payment would take the form of a resale covenant against the property, i.e. a sleeping equity, which could be released upon request by the lessee at any specific time, or upon future onward sale or transfer by the lessee, at which point, the Council would receive the greater of the either the documented plot value at the date the lease is completed, or an agreed percentage of the property's value at the point of transfer (including the value of the buildings). The equity would be secured by the first legal charge.
- 5.11 This provision would ensure that the Council would receive a land receipt no lower than the market value at the date that the Council granted the original lease. The proposed structure would also have the added benefit of deferring land costs to any nominated / individual so mitigating initial entry costs and improving overall affordability. A consequence for the Council is that its capital receipt from the site disposal is deferred to an unknown date into the future.

5.12 This provision would enable the Council to meet its legal obligation to achieve best consideration in disposing of land, while at the same time enabling the sale of sites specifically to satisfy identified market demand for self and custom build development opportunities. In addition, by adopting the proposed sale structure, initial land costs will be deferred potentially enabling groups or individuals from a wider range of household income levels to access self or custom build opportunities. The self-builders will be required to meet the Council's reasonable costs for the land transactions and the monitoring arrangements will be managed within Economy Directorate on an annual basis.

## **6. Evaluation of alternative option(s):**

6.1 The Council is obliged by law to both keep a register of potential self and custom builders and to facilitate access to suitable sites for interested parties. The alternative is that the Council does not comply with its legal duty.

## **7. Reasons for Decision(s):**

7.1 The approach outlined within this report will enable the Council to discharge its legal duty in respect of self and custom build and will incentivise potential self-builders to develop their own homes, making a contribution to meeting the housing needs of the city.

### **Signatures**

### **Date**

Councillor John Clancy  
The Leader

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Waheed Nazir  
Corporate Director (Economy)

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## **List of Background Documents used to compile this Report:**

Relevant Officer's file(s) on the matter, save for confidential documents

## **List of Appendices accompanying this Report (if any):**

Nil

## **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"> <li>(a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;</li> <li>(b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;</li> <li>(c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</li> </ul>
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"> <li>(a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;</li> <li>(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;</li> <li>(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.</li> </ul>
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"> <li>(a) tackle prejudice, and</li> <li>(b) promote understanding.</li> </ul>
5	<p>The relevant protected characteristics are:</p> <ul style="list-style-type: none"> <li>(a) Marriage &amp; civil partnership</li> <li>(b) Age</li> <li>(c) Disability</li> <li>(d) Gender reassignment</li> <li>(e) Pregnancy and maternity</li> <li>(f) Race</li> <li>(g) Religion or belief</li> <li>(h) Sex</li> <li>(i) Sexual orientation</li> </ul>





<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Corporate Director of Economy</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>DRIVING HOUSING GROWTH THROUGH THE EXPANSION OF INREACH – FULL BUSINESS CASE</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003345/2017</b>
<b>If not in the Forward Plan: (please "tick" box)</b>	<b>Chief Executive Approved <input type="checkbox"/></b>
	<b>O&amp;S Chairman Approved <input type="checkbox"/></b>
<b>Type of decision:</b>	<b>Executive</b>
<b>Relevant Cabinet Member:</b>	<b>Councillor John Clancy, the Leader Councillor Peter Griffiths, Cabinet Member for Housing and Homes</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn – Housing, Homes and the Environment</b>
<b>Wards affected:</b>	<b>All</b>

**1. Purpose of report:**

- 1.1 To set out proposals for the expansion of the Council's Wholly Owned Company (WOC) InReach (Birmingham) Limited which provides private rented housing to promote housing growth and contribute to the Council's Financial Plan 2017+ approved by Cabinet on 14<sup>th</sup> February 2017.

**2. Decision(s) recommended:****Cabinet is recommended to:**

- 2.1 Approve the Full Business case for the sale of approximately 200 void properties per year for the next 4 years held within the Housing Revenue Account (HRA) to InReach (Birmingham) Ltd (InReach) or another Wholly Owned Company (WOC) set up by the Council as set out at Appendix 1;
- 2.2 Delegate authority to the Assistant Director of Property (Interim) to negotiate and approve final terms of individual disposals to InReach;
- 2.3 Delegate authority to the Corporate Director Economy jointly with the Cabinet Member Housing and Homes to identify suitable properties held within the HRA for sale to InReach (Birmingham) Limited or some other Council WOC to give effect for every 2 properties being acquired by InReach being replaced with 1 new build;
- 2.4 Approve a loan to InReach (Birmingham) Limited of up to £95million on commercial terms for the purpose of funding its acquisition of these properties, with approval of the terms delegated to the Chief Finance Officer;
- 2.5 Note that the above recommendations may be subject to the consent of the Secretary of State as set out in paragraph 4.3.2 and
- 2.6 Authorise the City Solicitor to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

**Lead Contact Officer(s):**

Clive Skidmore, Head of Housing Development, Economy Directorate  
Mumtaz Mohammed, Change Agent, Economy Directorate  
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[Mumtaz.mohammed@birmingham.gov.uk](mailto:Mumtaz.mohammed@birmingham.gov.uk)

**Telephone No:****E-mail address:**

<b>3. Consultation</b>
<b>3.1 <u>Internal</u></b>  3.1.1 The Corporate Director for Place has been consulted regarding the contents of this report, and supports the recommendations coming forward for an executive decision.  3.1.2 Officers in Legal Services, City Finance, Birmingham Property Services and Place Directorate have been involved in the preparation of this report.
<b>3.2 <u>External</u></b> 3.2.1 None required in relation to this report.
<b>4. Compliance Issues:</b>
4.1 This proposal responds to the Council's key priorities through the development of new homes which will be funded by this initiative;  <u><b>Children</b></u> – new homes will be developed in neighbourhoods which provide a safe, warm, sustainable and connected in which our children can thrive;  <u><b>Housing</b></u> – the Council is committed to the development of enough high quality new homes to meet the needs of a growing city, and the proposals within this report seek to accelerate the introduction of affordable high quality new homes in the city;  <u><b>Jobs and Skills</b></u> – activity within the construction sector will create jobs and apprenticeships in the city, and activity in the supply chain industries, supporting the local economy through the Birmingham Business Charter for Social Responsibility;  <u><b>Health</b></u> – the links between health and housing are well recognised. New thermally efficient, economical to run with lower maintenance costs new homes which are designed to high standards of quality and internal space standards will be more affordable for residents and will offer a higher quality of life leading to better health outcomes.  4.1.1 <u>Birmingham Business Charter for Social Responsibility (BBCSR)</u>  There is no direct implication for the BBCSR in respect of the land disposals.  4.2 <u>Financial Implications</u>  4.2.1 The disposal of HRA voids to InReach or another WOC will be subject to the demonstration of best consideration being achieved for the Council. It is assumed at this stage that the sale of voids will be to InReach Birmingham Ltd, however in order to achieve tax efficiencies it may be necessary for the Council to set up another WOC to which the voids would be sold.

4.2.2 The proceeds from the disposals will generate capital receipts estimated at £22m per annum which will be used either for housing investment purposes, or to support other Council priorities subject to the transfer of an equivalent value of borrowing from the HRA to the General Fund. The Capital receipts from the sale of property to InReach will be split by approximately 50% contribution towards new affordable housing provision and 50% paying off existing HRA debt as compensation for loss of future net rent from the disposed properties.

4.2.3 The proposed loan to InReach will be on commercial terms, and funded through prudential borrowing, with the interest rate charged to InReach exceeding the cost to the General Fund. This proposal supports the delivery of savings proposal HN11 within the Council's approved budget for 2017/18 and future years.

Further details of the savings to be delivered are included at Appendix 1. A summary of the financial impact of these proposals on InReach (Birmingham) Limited is included at Appendix 4.

The estimated savings are based on prudent assumptions of expenditure and income that will be generated by the WOC and therefore savings to the General Fund – the saving is potentially greater than estimated and this matter will be kept under continuous review as the programme develops. Any variations will be considered as part of the annual budget process and the LTFP adjusted as appropriate for approval by City Council.

#### 4.3 Legal Implications

4.3.1 The Council's power to dispose of land to the WOC is contained with Sections 32-34 Housing Act 1985 General Consent A Section 32 Housing Act 1985. General Consent A limits disposals by a local authority to a WOC to 5 per year.

4.3.2 It is likely this proposal will require the consent of the Secretary of State for Community and Local Government and officers are in discussion with the Department of Community and Local Government in order to seek the necessary approval.

4.3.3 As the Housing Authority, the relevant legal powers relating to the discharge of the Council's statutory function to provide for its housing need are contained in section 9 of the Housing Act 1985.

4.3.4 S111 of the Local Government Act 1972 empowers local authorities to do anything (whether not involving the borrowing, expenditure or lending of money or the acquisition or disposal of any of its property) which, is calculated to, or is conducive or incidental to the discharge of any of their functions.

#### 4.4 Public Sector Equality Duty

4.4.1 This proposal has been subject to an Equality Impact Analysis (EA001685). This analysis did not identify negative impacts for protected groups.

## **5. Relevant background/chronology of key events:**

- 5.1 On 14 February 2017 as part of the Financial Plan 2017+ report, Cabinet approved the principles of the expansion of InReach through the sale of HRA voids. This report sets out the detail for the implementation of this policy.

The Council has already commenced the development of new homes for the private rented sector through its WOC. The principles of this model are –

- The Council sells land to InReach at open market value;
- Development of homes for PRS through the Council's WOC InReach generates income for the General Fund;
- The sale of Council development sites to the WOC creates a capital receipt to the Council;
- The Council borrows money at (Public Works Loan Board) rates to lend on to InReach at a (higher) commercial rate, which InReach uses to fund the construction of new homes for market rent;
- Any surpluses generated by the WOC return to the Council to fund General Fund services.

This approach therefore creates capital receipts, generates income to the General Fund, and achieves housing growth by enabling the development of new homes.

The first scheme at St Vincent Street is now on site, with completion due by January 2018, and Cabinet has approved the principle of the sale of further sites to InReach to develop a potential 300 new additional homes.

- 5.2 This report proposes an innovative variation on the existing InReach model which is more creative and enables the Council to use the BMHT and InReach development models together in a complementary and imaginative way. This model makes capital funding available to the Council which can be used to build a significant number of new homes, and generates significant revenue and capital benefits to the Council.

- 5.3 Under this model, a proportion of voids arising naturally within the Council's housing stock would be sold to InReach or a similar vehicle at full market value. The properties sold to InReach would be improved and let at market rents. The proceeds of the sale of voids to the WOC could be used to fund the construction of new social or affordable rented Council homes.

The key features of this model are –

- Existing Council properties sold to InReach and then rented at market rents rather than social rents;
- Offers the potential to repurchase properties previously sold by the Council when these are offered for sale on the open market to be sold to InReach to let as private rented

homes;

- The sale of properties to InReach will generate receipts to fund the construction of replacement social or affordable rented Council homes, at a ratio of 1 new home for every 3 homes sold (reflecting the lower value of many current council homes as compared with the construction costs of new homes). It may be possible to increase this ratio to 1 new home for every 2 sold subject to availability of additional Right to Buy receipts or grants from the HCA;
- The Council borrows in excess of £90m, to finance a loan to InReach – with the loan repaid to the Council from surpluses generated from rental income from the properties sold to InReach;
- The new replacement Council homes will be modern new homes with a longer life span, providing high standards of thermal efficiency and offer a more spacious, better quality home than the old homes that they replace;
- Acquiring homes dispersed across the city will reduce the management burden on the Council's Housing Management teams;
- The new replacement Council homes will be protected by the cost floor rule from Right to Buy at substantial discounts for 15 years, whereas existing Council properties can be sold at a discount of up to £78,000, properties also sold to InReach will be exempt from the Right to Buy;

5.4 The management and maintenance of the properties sold to InReach will be procured by InReach from third parties and will not be provided by the Council. One of the aspirations to the proposal is to drive up standards of management in the private rented sector overall by ensuring professional management of former Council stock.

5.5 Soft market testing indicates strong demand for the homes which would be sold to InReach as private rented homes, and it should be noted that these homes, unlike Council homes, will not be subject to the Council's rent setting policy. Once within the management of InReach the properties will be let at market rents which will need to be high enough not only to meet all management/maintenance and other running costs, but also to repay the loan from the Council. These rents will inevitably be higher than Council rents for comparable properties, estimated with the financial model at around £150 per week on average. As a condition of sale, the Council will require InReach to publish its rent policy, arrears policy, and Business Plan.

5.6 It will be important to minimise any delays in the sale of properties to InReach to ensure that there is no void rent loss to either the Council or InReach and therefore in order to allow for speedy decision making in deciding which properties should be sold to InReach, it is recommended that approval to dispose of individual properties to InReach is delegated to the Corporate Director of Economy and the Cabinet Member Housing and Homes. Such sales will be guided by the following criteria.

- Financial viability – demonstration that the disposal offers best consideration to the Council and is financially viable for InReach;
- Strategic fit – an assessment of the disposal of the local housing stock, in terms of the potential under supply of affordable homes, or over provision of privately rented homes, and it is anticipated that older persons housing, properties with substantial

aids/adaptations, bungalows, and larger family homes will as a general principle not be sold to InReach;

- Availability of funding – all proposals will be subject to funding being available.

#### **6. Evaluation of alternative option(s):**

6.1 There are a number of alternative options, which are: -

6.2 The proposal could be progressed at a lower scale, which would generate a lower level of financial benefits to the Council.

6.3 The proposal could be progressed at a higher scale, but this would result in a proportionate reduction in the level of affordable housing provided by the Council.

6.4 Finally, an alternative option is not proceed with this approach. In this case the financial benefits envisaged in the Budget Delivery Plan would not be realised and there would be a need to achieve financial savings elsewhere that deliver the revenue savings and £22m annual capital receipts. In addition the housing growth anticipated through these proposals would not be achieved.

#### **7. Reasons for Decision(s):**

7.1 To achieve housing growth in the City.

7.2 To achieve the financial benefits approved in the Council's Financial Plan 2017+

#### **Signatures (or relevant Cabinet Member approval to adopt the Decisions recommended):**

Councillor John Clancy  
The Leader

..... Dated: .....

Councillor Peter Griffiths  
Cabinet Member for Housing and Homes:

..... Dated:.....

Waheed Nazir  
Corporate Director of Economy:

..... Dated:.....

#### **List of Background Documents used to compile this Report:**

Council's Financial Plan 2017+ approved by Cabinet on 14<sup>th</sup> February 2017

Relevant Officer's file(s) on the matter, save for confidential documents

**List of Appendices accompanying this Report (if any):**

1. Full Business Case
2. Risk Register
3. Stakeholder Analysis
4. InReach (Birmingham) Limited Summary Financial Impact
5. Equality Impact Analysis (EA001685)

## APPENDIX 1 – FULL BUSINESS CASE

Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Housing & Homes
<b>Project Title</b>	DRIVING HOUSING GROWTH THROUGH THE EXPANSION OF INREACH	<b>Project Code</b>	
<b>Project Description</b>	<p>There is a measure within the Council's Financial Plan 2017+ to achieve savings for the General Fund through the expansion of the Council's Wholly Owned Company (WOC) InReach which was set up to deliver new private rented homes for the city.</p> <p>InReach is already building 92 new apartments at St Vincent St in Ladywood, and cabinet has also identified a number of other Council owned sites for potential residential development through this company.</p> <p>This proposal seeks to expand the role of InReach through the acquisition of existing homes by the company, comprising void HRA homes and former Council homes which have been sold under the Right to Buy and are offered up for resale.</p> <p>The proposal offers a number of benefits to the city –</p> <p>Financial – the structure of the sale of properties to InReach will realise financial benefits to the Council, both revenue and capital;</p> <p>Housing growth – a proportion of the receipts generated will be used to fund the construction of new high quality Council homes;</p> <p>Quality of housing offer – the Council aspires to raise standards in the PRS sector by providing its own high quality offer.</p>		
<b>Links to Corporate and Service Outcomes</b>	<p>This project will make a direct contribution to both Corporate and Directorate outcomes, including the following:</p> <ul style="list-style-type: none"> <li>• Housing Revenue Account Business Plan 2017+</li> <li>• Birmingham Development Plan (BDP).</li> </ul>		



	<ul style="list-style-type: none"> <li>Budget Delivery Plan</li> <li>Homelessness Strategy 2012</li> <li>Birmingham Housing Growth Plan.</li> </ul>		
<b>Project Definition Document Approved by</b>	N/A	<b>Date of Approval</b>	N/A
<b>Benefits Quantification- Impact on Outcomes</b>	<b>Measure</b>		<b>Impact</b>
	Significant level of revenue benefits for the General Fund		<ul style="list-style-type: none"> <li>2017/18 - £0.179million</li> <li>2018/19 - £0.345million</li> <li>2019/20 - £0.520million</li> <li>2020/21 - £0.733million</li> </ul>
	The WOC providing a high standard of management.		An improvement in the standard of the PRS offer across the city
<b>Project Deliverables</b>	The project will deliver a minimum of 65 new homes for social rent each year. It will also deliver a capital receipt estimated at £22 million per annum.		
<b>Scope</b>	<p>A number of elements have already been delivered for this project that provide critical information to move the project forward, these include:</p> <ul style="list-style-type: none"> <li>Development of a financial model;</li> <li>Soft market testing;</li> <li>Development of systems to enable seamless transfer to InReach;</li> <li>Evaluation of options for management and maintenance.</li> </ul> <p>The key elements remaining within the scope of the project are set out below. The indicative timescale is as follows:</p> <ul style="list-style-type: none"> <li>Obtain Cabinet approval – July 2017</li> <li>Procure managing agent – September 2017</li> <li>Sale of first tranche of properties – October 2017</li> </ul>		
<b>Scope exclusions</b>	<p>The project does not consider the detailed arrangements for the management or on-going maintenance of the transferred housing once built, which will be dealt with by InReach.</p> <p>This project also does not consider the new build social or affordable rented homes for the Council which will be funded by the capital receipts which it generates.</p>		
<b>Dependencies on other projects or activities</b>	<p>Key dependencies include:</p> <ul style="list-style-type: none"> <li>Appointment of management and repairs contractor by InReach</li> </ul>		

	<ul style="list-style-type: none"> <li>• Agreement of InReach to acquire the properties</li> <li>• Agreement by InReach of the loan terms</li> </ul>		
<b>Achievability</b>	Extensive work has been undertaken to ensure that these proposals are deliverable. The delivery of the project is entirely within the Councils control, the other parties involved will be employed by InReach on a contractual basis.		
<b>Project Manager</b>	Mumtaz Mohammed, Change Agent, Economy Directorate. T: (0121) 303 7879. <a href="mailto:Mumtaz.mohammed@birmingham.gov.uk">Mumtaz.mohammed@birmingham.gov.uk</a>		
<b>Budget Holder</b>	Clive Skidmore, Head of Housing Development. T: 303 3341 <a href="mailto:clive.skidmore@birmingham.gov.uk">clive.skidmore@birmingham.gov.uk</a>		
<b>Sponsor</b>	Waheed Nazir (Strategic Director, Economy) <a href="mailto:waheed.nazir@birmingham.gov.uk">waheed.nazir@birmingham.gov.uk</a>		
<b>Project Accountant</b>	Nick Ward, (Finance Manager, City Finance) 464 4282) <a href="mailto:nick.ward@birmingham.gov.uk">nick.ward@birmingham.gov.uk</a>		
<b>Project Board Members</b>	<p>Waheed Nazir (Strategic Director, Economy) <a href="mailto:waheed.nazir@birmingham.gov.uk">waheed.nazir@birmingham.gov.uk</a></p> <p>Clive Skidmore, Head of Housing Development. T: 303 3341 <a href="mailto:clive.skidmore@birmingham.gov.uk">clive.skidmore@birmingham.gov.uk</a></p> <p>Mumtaz Mohammed, Change Agent, Economy Directorate. T: (0121) 303 7879. <a href="mailto:Mumtaz.mohammed@birmingham.gov.uk">Mumtaz.mohammed@birmingham.gov.uk</a></p> <p>Guy Olivant, Head of City Finance T: 303 4752 <a href="mailto:guy.olivant@birmingham.gov.uk">guy.olivant@birmingham.gov.uk</a></p>		
<b>Head of City Finance (HoCF)</b>	Guy Olivant, Head of City Finance - T: 303 4752 <a href="mailto:guy.olivant@birmingham.gov.uk">guy.olivant@birmingham.gov.uk</a>	<b>Date of HoCF Approval:</b>	

2a. Budget Summary (General Fund)					
	Voyager Code	2017/18	2018/19	2019/20 to 2026/27(8 years)	Totals
<b>Capital Costs &amp; Funding</b>		£'000	£'000	£'000	£'000
<b><u>Expenditure:</u></b> Loan to InReach (Birmingham) Ltd		22,600	22,600	45,200	90,400
<b>Totals</b>		22,600	22,600	45,200	90,400
<b><u>Funding</u></b>					
Prudential Borrowing		(22,600)	(22,600)	(45,200)	(90,400)
Principal Repayments from InReach		-	(46)	(79,145)	(79,145)
BCC Loan Redemption		-	46	79,145	79,145
<b>Totals</b>		(22,600)	(22,600)	(45,200)	(90,400)
		2017/18	2018/19	2019/20 to 2046/47 (28 years)	Totals
<b>Revenue Consequences</b>					
Expenditure					
Interest Payable		232	1,302	79,957	81,491
Income					
Interest Receivable		(272)	(1,482)	(119,978)	(121,732)
Distributions		(139)	(165)	(331)	(635)
<b>Totals</b>		(179)	(345)	(40,352)	(40,876)
<b>Totals</b>					
2b. Budget Summary (Housing Revenue Account)					
	Voyager Code	2017/18	2018/19	2019/20 to 2046/47 (28 years)	Totals
<b>Capital Implications</b>		£	£	£	£
<b><u>Expenditure:</u></b> Capital Expenditure avoided		-	-	(33,273)	(33,273)

Pre-Disposal Capital Expenditure		1,000	1,000	2,000	4,000
<b>Totals</b>		<b>1,000</b>	<b>1,000</b>	<b>(31,273)</b>	<b>(29,273)</b>
<b>Capital Receipts</b>					
Disposal Proceeds		(22,000)	(22,000)	(44,000)	(88,000)
<b>Net Capital Impact</b>		<b>(21,000)</b>	<b>(21,000)</b>	<b>(75,273)</b>	<b>(117,273)</b>
<b>Revenue Consequences</b>					
Rental Income Foregone		405	1,353	152,406	154,164
Expenditure Avoided		(104)	(347)	(39,018)	(39,469)
<b>Net Revenue Impact</b>		<b>301</b>	<b>1,006</b>	<b>113,388</b>	<b>114,695</b>
Whilst the above table shows a revenue cost to the HRA arising from these proposals, it should be noted that this is offset in full by the net capital impact also set out in the table.					
<b>Planned Start date for delivery of the project</b>	<i>September 2017</i>	<b>Planned Date of Technical completion</b>	<i>Ongoing</i>		

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Detailed workings in support of the above Budget Summary (as necessary)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Whole Lifecycle Costing analysis ( as necessary)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path (set up in Voyager or attached in a spreadsheet)</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Partnership Funding Proposal</li> </ul>		
<ul style="list-style-type: none"> <li>Specific Funding (Grant) outline</li> </ul>		
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Stakeholder Analysis</li> </ul>	Mandatory	
<ul style="list-style-type: none"> <li>Technical Feasibility Assessments</li> </ul>		
<ul style="list-style-type: none"> <li>Partnership Agreement</li> </ul>		
<ul style="list-style-type: none"> <li>Non-Financial Benefits</li> </ul>		
<b>Other Attachments (list as appropriate)</b>		
<ul style="list-style-type: none"> <li></li> </ul>		
<ul style="list-style-type: none"> <li></li> </ul>		

## APPENDIX 2 - Risk Register

Description of Risk	Impact	Probability	Score	Mitigation Measures	Adjusted risk	Risk Owner
InReach unable to let homes at market rent	4	2	8	Soft market testing has already been undertaken and received positive feedback.	4	InReach
Insufficient properties available for sale to InReach	4	2	8	In excess of 4,000 HRA properties per annum become void every year.	4	Council

Rents generated are insufficient to meet overheads	4	2	8	Properties for sale to InReach will be selected on the criterion of financial viability	4	InReach
Excessive void periods incurring loss to the Council or to InReach	3	2	6	Robust processes will be implemented to minimise void periods.	4	InReach
Non performance of managing/repairs contractor	3	2	6	Contract will contain appropriate termination clauses.	4	InReach
IMPACT	Probability		SCORE			
1 - Insignificant	1 – Unlikely		1 – 4			
2 – Minor	2 – Possible		5 – 8			
3 – Moderate	3 – Likely		9 -12			
4 – Major	4 – Almost Certain		13 -16			

### APPENDIX 3 - Stakeholder Analysis

<b>Stakeholder</b>	<b>Stake in project</b>	<b>Potential impact on project</b>	<b>What does the project expect from the stakeholder</b>	<b>Perceived attitudes and/or risks</b>	<b>Stakeholder management strategy</b>	<b>Responsible</b>
Elected Members	Link with local residents	High	Support for the project	Objections from local residents	Provide information and keep informed	Project manager
Project officer team	Delivery and responsibility for project	High	Expertise in delivery and project management.	Unforeseen delays Unforeseen costs	Co-ordinate team and management/repairs contractor	Project manager
Management /repairs contractor	Management and maintenance of properties for InReach	High	Performance as per contract with InReach	Non performance		InReach

## Appendix 4 – InReach (Birmingham) Limited Financial Impact

The following table summarises the financial impacts on InReach (Birmingham) Limited of these proposals for the first 5 years of activity, including the financial impacts of the proposed loan from Birmingham City Council.

Year	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Rental Income	(715)	(2,387)	(4,042)	(5,746)	(6,722)
Voids & Arrears	14	48	81	115	134
Management	80	266	450	640	749
Costs					
Repairs / Furniture	64	215	364	517	875
Interest Payable	272	1,482	2,664	3,840	4,745
Principal	-	46	133	264	264
Repayments					
In Year (Surplus) /	(285)	(330)	(350)	(370)	45
Deficit					
Surplus b/f	-	(146)	(311)	(496)	(701)
Cumulative surplus	(285)	(476)	(661)	(866)	(656)
before distributions					
Distributions to	139	165	165	165	-
BCC					
Surplus c/f	(146)	(311)	(496)	(701)	(656)



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>CORPORATE DIRECTOR OF ECONOMY</b>	
<b>Date of Decision:</b>	<b>25 July 2017</b>	
<b>SUBJECT:</b>	<b>BIRMINGHAM SMITHFIELD DEVELOPMENT PROCUREMENT STRATEGY</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003575/2017</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b>	<input type="checkbox"/>
	<b>O&amp;S Chairman approved</b>	<input type="checkbox"/>
<b>Relevant Cabinet Members</b>	<b>Councillor John Clancy – Leader of the Council Councillor Majid Mahmood - Value for Money and Efficiency</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Zafar Iqbal - Economy, Skills and Transport Councillor Mohammed Aikhlaq – Corporate Resources and Governance</b>	
<b>Wards affected:</b>	<b>Nechells Ward</b>	

<b>1. Purpose of report:</b>
<p>This report</p> <p>1.1 Sets out the proposed Procurement Strategy for appointing a Developer/Investor to partner with the Council in re-developing the Birmingham Smithfield Masterplan area to support the sustainable growth of the city centre.</p> <p>1.2 To note that a Private Cabinet report contains commercial details and recommendations pertaining to this report.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:-</p> <p>2.1 Notes the contents of this report.</p>

<b>Lead Contact Officer(s):</b>	Marlene Slater Principal Project Delivery Officer	Simon Garrad Head of Project Delivery Team
<b>Telephone No:</b>	0121 675 2855	0121 4647138
<b>E-mail address:</b>	<a href="mailto:marlene.slater@birmingham.gov.uk">marlene.slater@birmingham.gov.uk</a>	<a href="mailto:Simon.garrad@birmingham.gov.uk">Simon.garrad@birmingham.gov.uk</a>

<b>3. Consultation</b>	
3.1 <u>Internal</u>	
3.1.1 Cabinet Member for Cabinet Member for Clean Streets, Recycling and Environment, relevant ward members and Executive Members for the Districts have been consulted and are supportive of the project.	
3.1.2 Members of the Project Board and Group that includes the Corporate Director Place, Assistant Director of Property Service, Assistant Director Development and senior officers from City Finance, Transportation and Connectivity, Highways and Infrastructure, Arts and Culture, Market Operations, Parks and Events, Legal and Democratic Services, Birmingham Property Services and Corporate Procurement Services, have been involved in formulating the procurement objectives that forms the basis of this report; and are in agreement with the recommendations made in this report.	
3.1.3 City Finance, Legal and Democratic Services and Corporate Procurement Services officers have been involved in the preparation of this report.	
3.1.4 A summary of all internal consultation responses are attached at Appendix 2	
3.2 <u>External</u>	
3.2.1 Key Stakeholders and the general public were consulted in March 2016 on the Birmingham Smithfield Masterplan and comments received in relation to the delivery strategy are reflected in the project plans. The project objectives are based upon the masterplan.	
<b>4. Compliance Issues:</b>	
4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>	
4.1.1 The decisions recommended in this report will support the Council's Vision and Forward Plan 2017 for Birmingham to be a city of growth where every child, citizen and place matters by facilitate the development of the Birmingham Smithfield area that supports the priority outcomes of: Housing - Provide housing in a range of types and tenures, to meet the housing needs of all of the current and future citizens of Birmingham; and Jobs and Skills - Build upon assets, talents and capacity for enterprise and innovation to shape the market and harness opportunity.	
4.1.2 The delivery of the Birmingham Smithfield Master Plan forms part of the Birmingham Development Plan, the Big City Plan, and the Greater Birmingham and Solihull Local Enterprise Partnership Enterprise Zone Investment Plan and supports the Birmingham Connected five core objectives.	
4.1.3 <u>Birmingham Business Charter for Social Responsibility (BBC4SR)</u>	
4.1.3.1 The appointed Development/Investment Partner(s) will be required to comply with the Birmingham Business Charter for Social Responsibility and develop an action plan. Failure to sign up to the principles of the BBC4SR will result in bidders' submissions being rejected at Selection (Shortlisting) Stage of the procurement process. At Final Tender Stage the Social Value element of the tender evaluation and selection criteria for the appointment of the Development/ Investment Partner(s) will have an increased	

weighting of 12% as detailed at Appendix 1.

#### **4. Compliance Issues continued.**

4.1.3.2 The appointed Development/Investment Partner(s) Social Value Action plan will include support to project(s) included on the Social Value Matching Projects List. The Council will also ensure that all main and sub-contracted organisations involved in the re-development of the site maximise employment outcomes for local people through the development of apprenticeship schemes and prioritising Birmingham's job seeking citizens.

#### **4.2 Financial Implications**

(Will decisions be carried out within existing finance and Resources?)

4.2.1 The cost of procuring a Development/Investment Partner will be met from the £940,000 GBSLEP Enterprise Zone (EZ) revenue funding approved by the GBSLEP EZ Executive Board on 2 November 2016, which was subject to a report to Cabinet on 18 October 2016.

4.2.2 The project is managed in line with the City Council's gateway process and related financial approval framework.

4.2.3 A further report will be presented to Cabinet to seek approval for the options appraisal for the development of the Birmingham Smithfield project. This report will also outline the whole-life cost of the preferred operational and financing model for developing the site and highlight the capital and revenue implications to the Council's budget. Following the selection of a preferred Development Partner(s), a final report will be presented to Cabinet to seek approval of the FBC, which will provide the detailed whole life cost implications.

4.2.4 The Wholesale Market site that is located within the Birmingham Smithfield Masterplan area will not now generate a capital receipt in 2018/19. The financial implications of this are detailed in the Private Report.

#### **4.3 Legal Implications**

4.3.1 The Council has a duty to efficiently manage its assets and has the power to hold and dispose of land under Sections 120 and 123 of the Local Government Act 1972. Section 1 Localism Act 2011 sets out the Council's general power of competence.

4.3.2 The Council has secured external legal advice to work with its Legal Services in the development of the required procurement documentation.

#### **4.4 Public Sector Equality Duty (see separate guidance note)**

4.4.1 The development of a full Delivery Strategy and Business Case will support the delivery of the Birmingham Smithfield Masterplan approved by Cabinet on 20 September 2016, for which an Equality Analysis was undertaken and concluded that the masterplan was unlikely to have a disproportionate impact on any of the protected groups. This Equality Analysis will be reviewed following production of the options appraisal and Full Business Case (FBC).

#### **5. Relevant background/chronology of key events:**

5.1 On 20 September 2016 Cabinet approved the Birmingham Smithfield Masterplan that set out ambitions for the area to capitalise on the established city assets within and surrounding the site with the creation of a sustainable and inclusive place. This includes new cultural and leisure attractions, vibrant markets and spaces for new and small

businesses and a residential neighbourhood with a high quality public realm and integrated public transport links to the wider city centre.

**5. Relevant background/chronology of key events continued.**

- 5.2 Development of the site is expected to deliver over 300,000 sq. metres of new floor space, 2000 new homes and 3000 new jobs, adding £470 million GVA to the local economy. It will attract millions more visitors to the region with over £1bn Gross Development Value.
- 5.3 Due the scale of the redevelopment, the Council will need to partner with an investor/developer to bring appropriate finances and expertise to deliver the re-development. On 18 October 2016, Cabinet gave approval to commission a Delivery Advisor to develop a Delivery Strategy for the site that includes the appraisal of the complex delivery structure options that can deliver the ambitions of the masterplan for the area and to develop a procurement strategy for the appointment of a Development/Investment Partner(s).
- 5.4 Various Delivery Structures have been robustly appraised with the assistance of external property and legal and taxation professional advice which included a consultation exercise with potential Developers/Investment Partners to test the options.
- 5.5 The conclusion of the Delivery Structure option appraisal is that that the achievement of the Procurement Objectives is more achievable through the Joint Venture Partnership (JVCo) or Contractual Partnership (Master Development Agreement) model relative to the other structure options. To simplify and minimise legal requirements and costs, the procurement of a Development/Investment Partner(s) shall commence on the basis of formulating a Contractual Partnership (Master Development Agreement) with the option of changing to the formation of a Joint Venture Partnership (JVCo) if this is preferred by the Bidder and delivers greater benefit to the Council.
- 5.6 The Procurement Route options to appoint a Development/Investment Partner(s) have been robustly appraised against the procurement objectives detailed in Procurement Strategy at Appendix 1 paragraph 4.3 with the assistance of external property legal and taxation professional advice
- 5.7 The conclusion of the Procurement Route option appraisal is that the provisions of the Public Contracts Regulations 2015 (as amended) (the Regulations) would apply and the delivery of the procurement objectives are more achievable through the OJEU Competitive Dialogue procedure relative to the other routes.
- 5.8 The Competitive Dialogue Procedure has four key stages:
- 1 Selection (Shortlisting):** Shortlist bidders to invite to participate in competitive dialogue stage.
  - 2 Competitive Dialogue:** Dialogue between Council and shortlisted bidders to assist in the development of bidder's solution
  - 3 Final Tender Submission and Evaluation:** Evaluation of final tenders
  - 4 Preferred Bidders Stage:** Clarification and confirmation of commitments to development of full business case and partnership contract/agreement.
- 5.9 The project objectives as set out in Appendix 1, Annex 1 will be used to evaluate tenders from prospective Development/Investment Partners to ensure that the preferred development partner(s) is committed and able to achieve the vision for Birmingham

Smithfield.

## **5. Relevant background/chronology of key events continued.**

- 5.10 Bidders' final tenders will be evaluated against a weighted criterion of 68% Quality, 12% Social Value and 20% Price (Commerciality). A detailed breakdown of the criteria is set out at Appendix 1 Section 5 paragraph 5.2.
- 5.11 As Birmingham Smithfield is part of the zero emissions cities programme the key objective relating to environmental sustainability has been embedded in social value. This objective seeks to provide an environmentally sustainable development with reference to Zero Emissions principles in the design, development and occupational stages of the scheme. Where the achievement of Zero Emission is not commercially viable the Development/Investment Partner in partnership with the Council shall make best endeavours to identify and secure external funding to support the ambition for a Zero Emission development.
- 5.12 Unlike a traditional procurement, whereby the Council will typically receive a fixed price to provide works / goods / services, this procurement will only provide an 'indicative value' for the Council's land based on a range of assumptions – the main focus will be to agree an appropriate and fair structure to determine the actual price at a later date once a significant amount of work has been undertaken by the preferred bidder to develop a full costed business case for the scheme – this will all be in accordance with the Council's best Consideration obligations.
- 5.13 It is intended that a further report will be brought to Cabinet later in 2017/18 which will seek approval for the selection of the Preferred Development/Investment Partner(s), to enter into an exclusivity agreement with the Preferred Development/Investment Partner(s) and also to approve the Outline Business Case (OBC), Cabinet approval to a Full Business Case (FBC) will be sought in the latter part of 2018/19.

## **6. Evaluation of alternative option(s):**

- 6.1 Option 1: Do Nothing. This will not enable the Council to bring forward the development of the area in a holistic, coherent manner that optimises the investment opportunity to attract private sector investment and provide the best value for money.
- 6.2 Options 2 to 7: Procurement through Market Disposal, OJEU Open Procedure, Restrictive Procedure, Competitive Procedure with Negotiation, Innovative Partnership Procedure, Negotiated Procedure with Prior Publication would not achieve the procurement objectives and desired outcomes.
- 6.3 Option 8 – Procurement by OJEU Competitive Dialogue Procedure is the preferred option as the procurement objectives and desired outcomes are more achievable through this route relative to the other routes detailed above.

## **7. Reasons for Decision(s):**

- 7.12 To facilitate the comprehensive development of Birmingham Smithfield and ensure that the delivery model for developing the area is commercially and financially viable for both the Council and private sector development partner(s).
- 7.2 To identify and where appropriate utilise public sector resources to remove barriers to development and increase the attractiveness of the investment opportunity.

<b>Signatures</b>	<b><u>Date</u></b>
Councillor John Clancy – Leader of the Council .....	.....
Councillor Majid Mahmood – Cabinet Member, Value for Money and Efficiency .....	.....
Waheed Nazir Corporate Director of Economy .....	.....

<b>List of Background Documents used to compile this Report:</b>
<ol style="list-style-type: none"> <li>1. Big City Plan 2010</li> <li>2. Birmingham Development Plan (BDP)</li> <li>3. Greater Birmingham and Solihull Local Enterprise Partnership EZ Investment Plan 2014</li> <li>4. Council's Business Plan Council's Business Plan 2016+</li> <li>5. Birmingham Smithfield Masterplan Cabinet Report 20 September 2016</li> <li>6. Birmingham Smithfield Masterplan September 2016</li> <li>7. Birmingham Smithfield Development Cabinet Report 18 October 2016</li> </ol>

<b>List of Appendices accompanying this Report (if any):</b>
<ol style="list-style-type: none"> <li>1. Procurement Strategy</li> <li>2. Internal Consultation Report</li> </ol>

## PROCUREMENT STRATEGY

### 1. Context

- 1.3 The aim of the project is to appoint a Developer/Investor to partner with the Council in delivering the vision for Birmingham Smithfield area to support the sustainable growth of the city centre.
- 1.4 The overarching vision for Birmingham Smithfield will be of a sustainable, green and inclusive place that has people at the heart of a zero carbon development. It will drive opportunities for the city's economy creating new cultural and leisure attractions, vibrant retail markets and space for start-ups, small businesses and entrepreneurs. It will be a distinctive place that reflects the area's rich history with high quality architecture, a network of green infrastructure, public spaces and squares and a dynamic new residential neighbourhood that is reconnected to the wider city through new streets, public transport and pedestrian and cycle routes.
- 1.5 The five Big Moves to deliver the vision are:
- ☐ Vibrant Markets & Leisure
  - ☐ Festival Square
  - ☐ Pedestrian Boulevard
  - ☐ Integrated Public Transport
  - ☐ Residential Neighbourhood
- 1.6 The 3 main Principles that will guide the delivery of the vision are:
- ☐ Connectivity
  - ☐ Activity
  - ☐ Design

### 2. Market Analysis

- 2.1 Key to the success of the redevelopment will be the creation of a new destination with high quality urban design and critical mass to provide a high quality environment with the ability to attract people/ visitors, occupiers, investors and funders.
- 2.2 As a new and as yet unproven destination, getting the connectivity and public realm right will be key to changing current market perceptions. To achieve this, the Council needs a delivery partner with the right experience, ambition and financial capacity to work in partnership with the City to realise the bold and ambitious plans for the site.
- 2.3 Given the scale of the opportunity, and its central location adjacent to the established Bullring, the site has the potential to attract strong interest from national and international developers and investors (or developer/ investor consortia).
- 2.4 Informal soft market testing has been undertaken that supports this view, and it is currently proposed that prior to the commencement of site marketing further soft market testing is undertaken to refine the delivery and procurement strategy to ensure that market interest in the site is maximised.



### 3. Duration

3.1 The contract will be for a period of 10 to 15 years commencing early 2019.

### 4. Procurement Route

4.1 To achieve the delivery objectives for the redevelopment of the site the delivery and procurement strategy will need to enable interested parties to provide innovative proposals for the site, and at the same time provide the market with absolute clarity on requirements.

4.2 The procurement objectives are that the procurement process should:

- 1) Maximise and maintain competition and procure the most appropriate development partner to deliver BCC's aspirations;
- 2) Provide for an initial evaluation and shortlisting stage to ensure that only bidders with sufficient experience and financial standing participate within the main part of the procurement process;
- 3) Provide for an efficient, effective and timely procurement programme with an aspiration to achieve preferred bidder status (exclusivity) as soon as reasonably practical;
- 4) Allow for meaningful engagement and negotiation with the market during the procurement;
- 5) Allow for BCC to engage with the market to determine the most appropriate apportionment of risks and rewards and incorporation of a funding agreement within the delivery structure;
- 6) Adhere to Public Services (Social Value) Act 2012 and relevant procurement regulations, such as the Public Contracts Regulations 2015 (as amended) (the Regulations) and the Concession Contracts Regulations 2016 and minimise the risk of procurement, judicial review or any other challenges.

4.3 The following table summarises the appraisal of the procurement route options against the procurement objectives:

Green - Good fit against the objective, minimal issues	Amber - Medium fit against the objective – some issues and or risks	Red - Poor fit against the objective, significant issues and or risks
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KEY PROCUREMENT OBJECTIVES	PROCUREMENT ROUTE OPTIONS (OJEU)			
	Open	Restricted	Competitive Procedure w. Negotiation	Competitive Dialogue
Provide for an initial evaluation and shortlisting stage				
Maximising and maintaining competition and procure the most appropriate development partner				
Provide for an efficient, effective and timely procurement programme to achieve preferred bidder status (exclusivity) as early as reasonably practical				
Allow for meaningful engagement and negotiation with the market during the procurement				
Adhere to relevant procurement				

regulations and minimise the risk of procurement or any other challenges.				
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- 4.4 The competitive dialogue procedure is more likely to provide an optimal and acceptable solution for this opportunity. Of particular significance is the inability to meaningfully negotiate under the Open and Restricted Procedures and the inability to negotiate following final tenders under the Competitive Process with Negotiation procedure which will be key requisites for a successful outcome. Therefore, based on the option appraisal it is recommended that the Competitive Dialogue procedure is used to procure a Development/Investment Partners to achieve the delivery objectives for the Birmingham Smithfield.

## 5. Evaluation and Selection Criteria

- 5.1 The procurement process will have two distinct evaluation stages – the Stage 1 Selection (formally known as pre-qualification (or PQQ), and Stage 2 Final Tender.

### Stage 1 Selection

- 5.1.1 At the commencement of the procurement, a contract notice will be issued to OJEU. Organisations will request to participate in the procurement by completing a selection questionnaire (issued by the Council) and submit it by a stated date.
- 5.1.2 The assessment criteria that will be used to shortlist suitable organisations to proceed to participate in the Final Tender stage will include:
- Mandatory and Discretionary Requirements (Exclusion Grounds)
  - Economic & Financial Standing. *(This will establish the financial standing of the company and its ability to deliver the scheme. This assessment will result in a Pass / Fail result so only bidders which can demonstrate sound financial standing will qualify to participate in the procurement).*
  - Technical & Professional Ability

### Stage 2 Final Tender

- 5.2 Bidders Final Tenders will be evaluated against the following criteria:

20%	PRICE	100%	COMMERCIALITY	1	Funding	40%	100%
				2	Financial Structure	60%	
		100%					

68%	QUALITY	49%	CONCEPT (Uses & Design)	3	Leisure	18%	100%
				4	Markets	18%	
				5	Residential Neighbourhood	15%	
				6	Retail, Office & Other Ancillary Uses	7%	
				7	Art & Culture	9%	
				8	Public Realm	18%	
				9	Transport, Linkages & Connectivity	15%	

		37%	DELIVERY	10	Partnering Approach	60%	100%
				11	Delivery & Resources	40%	
		15%	OPERATION	12	Long Term Structure	60%	100%
				13	Smart Cities	20%	
				14	Temporary Uses	20%	
				100%			

12%	SOCIAL VALUE	100%	SOCIAL VALUE	15	Buy Local	17%	100%
				16	Local Employment	25%	
				17	Partners In Communities	8%	
				18	Green & Sustainable	50%	
		100%					
100%							

## 6 Evaluation Team

- 6.1 The evaluation of the tenders will be undertaken by the Economy Directorate officers supported by the Delivery Advisor, Cushman and Wakefield who will manage the procurement process.

## 7 Engagement of Members

- 7.1 The Leader, Deputy Leader and Cabinet Member for Value for Money and Efficiency of the Council will receive a presentation of proposals from shortlisted bidders during the dialogue stage.

## 8 Engagement of Young People

- 8.1 A Young Person Group has been established to facilitate the meaning fully engagement and involvement of young people in the procurement of the Development/ Investment Partner.

## 9 Risk Management

- 9.1 The Council Risk Management Methodology will be applied and the Birmingham Smithfield Project Board is responsible for risk management. A risk management register has been produced in consultation with Corporate Procurement Service with arrangements put in place to ensure operational risks are mitigated. The corporate procurement team will Audit the management of the procurement process.

## 10 Indicative Implementation Plan

Task/Milestone	Date
Issue Pin Notice	27 Mar 17
Cabinet Approval (Strategy)	25 Jul 17
OJEU Contract Notice & Publish Opportunity	03 Aug 17

Selection Questionnaire Submission Deadline	08 Sep17
Competitive Dialogue with Bidders	6 Oct 17 to 24 Jan 18
Invitation to Tender	25 Jan 18
Bidders Tender Submission Deadline	07 Feb 18
Tender Evaluation	08 Feb to 14 Mar 18
Cabinet Approval (Preferred Bidder)	20 Mar 18
Develop FBC and Finalise Agreement with DP	27 Mar 18 – 31 Mar 19

## 1. PROCUREMENT STRATEGY – PROJECT OBJECTIVES

- 1.1 The Development/Investment Partner(s) shall deliver the following objectives in re-developing the Birmingham Smithfield Masterplan area:

MAIN CRITERIA				
20%	PRICE/ COMMERCIALITY	Commerciality		
		40%	1.	<b>Viability &amp; Funding</b> To deliver a viable and fundable scheme and secure sufficient private sector funding on reasonable and appropriate terms to deliver the scheme and unlock public sector funding where gap funding is required
		60%	2.	<b>Financial Structure</b> To provide a transparent financial structure that appropriately remunerates and rewards the parties in consideration of responsibilities, risks and contributions to the development of the scheme and fulfils BCC's obligation to achieve best consideration..
68%	QUALITY	Concept (Uses & Design)		
		18%	3.	<b>Leisure</b> To create a major leisure led offer for all ages including provision for young people and families. The leisure offer should complement and extend the city's existing leisure and visitor offer and be of a quality and scale appropriate for a major international city, integrating with the retail markets and providing attractions and activities that will draw more people into the area throughout the day and evening.
		18%	4.	<b>Markets</b> The provision of a new integrated retail market complex that establishes the markets as a key anchor to the city whilst respecting their historic part of the city's retail mix. The market offer should provide an adaptable environment, incorporating a mix of uses including eateries, restaurants, small retail outlets, good value fresh food and business space for start-ups and small enterprises, offering real opportunities for growing independent businesses.
		15%	5.	<b>Residential Neighbourhood</b> To provide a mix of good quality private and affordable residential units within an attractive green setting, including other supporting uses, to form a new neighbourhood and community.
		7%	6.	<b>Retail, Office &amp; Ancillary Uses</b> The provision of complementary ancillary uses to enhance activity throughout the day and into the evening; support the primary leisure, market and residential uses whilst being consistent with a high quality sustainable mixed use city centre development.
		9%	7.	<b>Art &amp; Culture</b> For the scheme to incorporate a regional art and cultural attraction that complements the City's existing offer with flexible space for exhibitions. To ensure that the historical identity of the area is embedded in the design
		18%	8.	<b>Public Realm</b> The provision of attractive and innovative high quality public

				spaces including greening of spaces, a linear park and linkages to encourage people to live and work in the city. To incorporate public art (temporary and permanent) within the public realm / street scape that reflects the history and future of the site and a major new multi-functional public space, Festival Square, as a hub for cultural, community and arts events, activities and festivals..
		15%	9.	<p><b>Transport, Linkages &amp; Connectivity</b> To connect the site to the wider city and improve permeability and pedestrian flows through the provision of a high quality network of active streets, spaces, paths and other transport improvements.</p> <p>To deliver an environmentally sustainable approach to transport, including encouraging cycle usage, improving accessibility through the integration of the Midland Metro tram system and other public transportation and reducing reliance on car usage.</p> <p>To ensure that the area is truly pedestrian friendly.</p>
		<b>Delivery</b>		
		60%	10.	<p><b>Partnering Approach</b> To create a partnering structure with the Council that: aligns the parties' goals; plays to their strengths; appropriately apportions risks and provides sufficient control for each party to determine those aspects of the development that are core to their respective organisations.</p>
		40%	11.	<p><b>Delivery Approach &amp; Resourcing (Business Plan)</b> The timely delivery of the scheme, with appropriate and sufficient resources.</p> <p>To effectively consult and work collaboratively with key stakeholders, including the local and wider Birmingham community for the effective delivery of the scheme.</p>
		<b>Operation</b>		
		20%	12.	<p><b>Smart Cities</b> To incorporate digital and smart technology within the scheme to create a better place that improves wellbeing, mobility, equality, communities and prosperity. To future proof buildings, infrastructure and technology.</p>
		60%	13.	<p><b>Long Term Structure</b> The provision of a long term management and maintenance structure over the completed scheme in order to maintain the environment as an attractive place to live, work and visit, where people feel safe and secure, at minimal cost and risk to the public sector.</p>
		20%	14.	<p><b>Temporary Uses</b> The inclusion of a range of temporary uses and linkages during the development phase that generates footfall, income, and complements, rather than competes with, activities already available with the city centre. Animation and promotion of the location through a range of activities.</p>
12%	<b>SOCIAL VALUE</b>	<b>SOCIAL VALUE</b>		
		17%	15.	<p><b>Buy Local</b> To provide positive social, environmental and economic impacts on the wider Birmingham through buying locally.</p>

	50%	16.	<b>Green &amp; Sustainable (Environmental Sustainability)*</b> The provision of an environmentally sustainable development with reference to Zero Emissions Cities in the design, development and occupational stages of the scheme.
	25%	17.	<b>Local Employment</b> To create clear training and employment pathway opportunities for local residents throughout the delivery of the project, targeting areas of high unemployment and groups facing disadvantage and supporting schools, colleges and universities to ensure that the economic growth is delivered in an inclusive way benefiting the wider Birmingham population.
	8%	18.	<b>Partners In Communities</b> To build capacity by supporting community organisations with resources and expertise in areas of the city with the greatest need. To improve and sustain local facilities with a particular focus on Arts and Cultural facilities across the city.

## INTERNAL CONSULTATION REPORT

STAKEHOLDER	DATE	RESPONSE	ACTION
<b>Executive Management Team</b>	25 Apr 17	1. Young People to be involved in the procurement of the Development/Investment Partner	To include in Appendix 1 Procurement Strategy Background that a Young Person Group has been established to facilitate the meaning fully engagement and involvement of young people in the procurement of the Development/ Investment Partner.
		2. To ensure that the any archaeological findings in respect of moat lane are protected.	The Planning process would ensure this happens.
		3. Development/Investment Partner to commission artist to be engaged in the design of all public art throughout the development.	To include in Art & Culture Social Value Partner Art & Culture tender requirements.
		4. To ensure that the area is truly pedestrian friendly.	To include in Transport, Linkages & Connectivity Objective/.
		5. To ensure that the historical identity of the area is embedded in the design.	To include in Art Objective
		6. Where the achievement of Zero Emission is not commercial viable the Development/Investment Partner in partnership with the Council shall make best endeavours to identify and secure external funding to support the ambition for a Zero Emission development.	To include Appendix 1 Project Objectives.
		7. To consider increasing Environmental Sustainability weighting to 6-8% of overall weighting.	Green & Sustainable Environmental Sustainability weighting increased to 6% of overall weighting.
		8. Social Value to ensure the creation of a clear training and employment pathway from the outset.	To include in Social Value Objective; Local Employment principle
		9. Social Value to enhance and sustain the existing cultural offer across the city.	To include in Social Value Objective; Partners in Communities principle
<b>Councillor Stewart Stacey</b> Cabinet Member - Transport and Roads.	25 Apr 17	Partnering Approach objective to ensure that BCCs interests are protected.	To be assured through the careful drafting of questions and minimum requirements/model answers.



<b>Councillor Zafar Iqbal</b> Economy, Skills and Transport	05 Apr & 15 May 17	<i>No comments made.</i>	N/A
<b>Councillor Mohammed Aikhlaq</b> Corporate Resources and Governance			
<b>Chauhdry Rashid JP</b> Nechells Ward Councillor			
<b>Councillor Tahir Ali</b> Nechells Ward Councillor			
<b>Councillor Yvonne Mosquito</b> Nechells Ward Councillor			
<b>Councillor Ziaul Islam</b> Ladywood District Councillor	20 Apr	Agrees with the contents of report.	N/A
<b>Jacquie Kennedy</b> Corporate Director Place			



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>CORPORATE DIRECTOR, ECONOMY</b>
<b>Date of Decision:</b>	<b>25 JULY 2017</b>
<b>SUBJECT:</b>	<b>HIGHWAY MAINTENANCE AND MANAGEMENT PFI CONTRACT</b>
<b>Key Decision:</b> <b>Yes</b>	<b>Relevant Forward Plan Ref: 003854/2017</b>
<b>If not in the Forward Plan:</b> <b>(please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>Overview and Scrutiny Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Councillor Stewart Stacey, Cabinet Member for Transport and Roads</b> <b>Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chair:</b>	<b>Councillor Zafar Iqbal, Chair, Economy, Skills and Transportation Overview and Scrutiny Committee</b> <b>Councillor Mohammed Aikhlaq, Chair, Corporate Resources and Governance Overview and Scrutiny Committee</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
1.1 This report informs Members of a proposal to reach a commercial settlement with Amey Birmingham Highways Limited (ABHL) in relation to a number of matters within the Highway Maintenance and Management Private Finance Initiative (HMMPFI) contract.
1.2 A separate private report addresses the relevant private financial and commercial matters.

<b>2. Decision recommended:</b>
2.1 That Cabinet notes the content of this report.

<b>Lead Contact Officer(s):</b>	Kevin Hicks
<b>Telephone No:</b>	Assistant Director, Highways and Infrastructure 0121 675 3748
<b>E-mail address:</b>	<a href="mailto:kevin.hicks@birmingham.gov.uk">kevin.hicks@birmingham.gov.uk</a>

3.	<b>Consultation:</b>
3.1	<u>Internal</u>
3.1.1	<p>Officers from Legal and Democratic Services, City Finance and Procurement have been involved in the preparation of this report.</p> <p>No significant issues have been identified as a result of this consultation.</p>
3.2	<u>External</u>
3.2.1	<p>External specialist legal advice has been provided by DLA Piper. The Department for Transport has also been kept fully informed of progress with discussions, is supportive of the Council's approach and has advised on the position in respect of the Council's PFI grant.</p>
4.	<b>Compliance Issues:</b>
4.1	<p><u>Are the recommended decision(s) consistent with the Council's Policies, Plans and Strategies?</u></p>
4.1.1	<p>The Council has adopted a <i>Vision and Forward Plan, 2017-2020</i>, which identifies four key drivers of change in Birmingham (Children, Housing, Jobs and Skills and Health). This decision supports the vision as follows:</p> <ul style="list-style-type: none"> <li>• <i>Jobs and Skills: Investment in infrastructure and improved connectivity.</i> This decision directly affects investment in and maintenance of the Council's 2,500km highway network and Council-owned infrastructure on it.</li> </ul>
4.2	<p><u>Financial implications - will decisions be carried out within existing finances and resources?</u></p>
4.2.1	<p>The City Council will agree a commercial settlement in respect of the issues subject to this decision. Legal costs to finalise and progress such matters have been approved under a separate delegated procurement authorisation.</p>
4.2.2	<p>The financial implications of the commercial settlement (including all costs) will be maintained within existing HMMPFI resources.</p>
4.3	<u>Legal implications</u>
4.3.1	<p>The contract was procured to enable the Council to meet its statutory duties relating to maintenance of highway infrastructure, primarily under the Highways Act 1980 and the New Roads and Street Works Act 1991.</p>
4.3.2	<p>Any commercial settlement would only be agreed if it complied with the Council's statutory duty to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness in accordance with Section 3 Local Government Act 1999.</p>
4.4	<u>Public Sector Equality Duty</u>
4.4.1	<p>A copy of the Equality Act 2010 – Public Sector Duty statement is set out in Appendix 1, together with the initial equality assessment screening (Appendix 2).</p>
5.	<b>Relevant background / chronology of key events:</b>
5.1	<p>The HMMPFI contract commenced in June 2010. The Council has been in dispute with ABHL regarding a number of matters under the contract for some time, with the earliest dispute arising in April 2014. A number of Birmingham Councillors, stakeholders and members of the public have advised their dissatisfaction over</p>

this period in various forums with a range of issues including investment decisions, quality of workmanship and performance.

5.2 The Council has actively managed the performance of ABHL from service commencement on 7 June 2010 and in accordance with the terms of the contract. Unfortunately, a number of disputes have arisen in relation to the services over this period of time. These are described in the Private Report.

5.3 The Council has sought to manage the performance and delivery of ABHL by engaging at the most senior level. Despite extensive dialogue on these matters, the Council has not been able to find an acceptable position with ABHL. We consider that to accept ABHL's position on these matters would:

- i. Reduce contract performance standards; and
- ii. Also apply interpretations of the contract that would weaken the Council's legal and commercial position.

This position would then apply for the remainder of the contract term (i.e. to June 2035).

5.4 The Council agreed a settlement (the "2015 Settlement" - see report to Cabinet, 16 March 2015, referenced below) on a number of performance, contract and commercial issues on 18 December 2015. The requirements of the 2015 Settlement have yet to be fully completed by ABHL and will require completion to a satisfactory level prior to entering into any full agreement.

5.5 Therefore the alternative options available to the Council are to either dispute matters formally (through the contract dispute resolution process, ultimately including the courts) or engage in dialogue with ABHL to reach an appropriate commercial settlement. For reference, a 'commercial settlement' is common practice in resolving contractual disputes through a legally binding agreement on terms agreed by the parties, taking holistic account of both financial and non-financial issues.

5.6 Without prejudice to either party's position in disputes, discussion has taken place with senior representatives of ABHL and its subcontractor Amey LG since January 2017 to seek to reach a settlement across all the disputed issues. From the Council's perspective the focus of that settlement has been to ensure delivery of the contract outcomes (i.e. improve roads and footways) and to secure best value for money for the City Council. The terms of this settlement will therefore be required to reflect an acceptable position for the Council on the disputed matters.

5.7 Details of the proposed settlement are contained within the accompanying Private Report.

5.8 It is essential that the settlement results in the necessary service improvement. To support this, the Council will seek appropriate assurance that the requirements of any new settlement will be delivered. Further detail on this is provided in the Private Report.

<b>6.</b>	<b>Evaluation of alternative options:</b>											
6.1		<p>The alternative for the Council is to proceed with its appeal on the Project Network Model dispute, scheduled at the Court of Appeal in January 2018 and seek resolution of each individual matter in dispute through the formal contractual dispute resolution procedure.</p> <p>Whilst this could enable the Council to obtain legal determination of the matters under dispute it would take considerable time to resolve and incur significant additional cost, which may not be fully recoverable. To date, progress under this option has been slow and has not resolved the disputed issues.</p>										
<b>7.</b>	<b>Reasons for Decision:</b>											
7.1		<p>This decision provides the best option for the City Council to resolve a number of contractual matters in the most expeditious and cost effective way, enabling the contract to continue and deliver the required outputs as set out in the project's business case.</p>										
<table style="width: 100%; border: none;"> <tr> <td style="width: 75%;"><b>Signatures:</b></td> <td style="width: 25%; text-align: right;"><b>Date:</b></td> </tr> <tr> <td colspan="2"><b>Signatures:</b></td> </tr> <tr> <td style="padding-top: 20px;">Cabinet Member:</td> <td style="border-top: 1px dotted black; padding-top: 20px;"> <div style="text-align: center;">Councillor Stewart Stacey, Cabinet Member for Transport and Roads</div> </td> </tr> <tr> <td style="padding-top: 20px;">Cabinet Member:</td> <td style="border-top: 1px dotted black; padding-top: 20px;"> <div style="text-align: center;">Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency</div> </td> </tr> <tr> <td style="padding-top: 20px;">Chief Officer:</td> <td style="border-top: 1px dotted black; padding-top: 20px;"> <div style="text-align: center;">Waheed Nazir, Corporate Director, Economy</div> </td> </tr> </table>			<b>Signatures:</b>	<b>Date:</b>	<b>Signatures:</b>		Cabinet Member:	<div style="text-align: center;">Councillor Stewart Stacey, Cabinet Member for Transport and Roads</div>	Cabinet Member:	<div style="text-align: center;">Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency</div>	Chief Officer:	<div style="text-align: center;">Waheed Nazir, Corporate Director, Economy</div>
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Chief Officer:	<div style="text-align: center;">Waheed Nazir, Corporate Director, Economy</div>											
<b>List of Background Documents used to compile this Report:</b>												
<ul style="list-style-type: none"> <li>Report of the Director of Highways and Resilience to Cabinet, 16 March 2015 (Public)</li> </ul>												
<b>List of Appendices accompanying this Report:</b>												
<ol style="list-style-type: none"> <li>1. Equality Act 2010 Statement</li> <li>2. Equality Impact Assessment</li> </ol>												

## **APPENDIX 1: 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. The Council must, in the exercise of its functions, have due regard to the need to:
  - (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. 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:
  - (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. 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.
4. 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:
  - (a) tackle prejudice, and
  - (b) promote understanding.
5. The relevant protected characteristics are:
  - (a) age
  - (b) disability
  - (c) gender reassignment
  - (d) pregnancy and maternity
  - (e) race
  - (f) religion or belief
  - (g) sex
  - (h) sexual orientation

## APPENDIX 2: EQUALITY IMPACT ASSESSMENT



# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Highways Maintenance Management PFI Contract
<b>Directorate</b>	Place
<b>Service Area</b>	Place - Highways And Resilience
<b>Type</b>	Reviewed Function
<b>EA Summary</b>	The Highway Maintenance and Management Services contract delivers improvements to existing highway infrastructure within the city over a 25 year partnership (to June 2035). This is a proposed decision with regard to management and operation of the contract.
<b>Reference Number</b>	EA002155
<b>Task Group Manager</b>	jenny.bent@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2017-06-16 00:00:00 +0100
<b>Senior Officer</b>	ravinder.sahota@birmingham.gov.uk
<b>Quality Control Officer</b>	jawaid.akhtar@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a Reviewed Function.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### **What is the purpose of this Function and expected outcomes?**

Highway Maintenance and Management Services. Expected outcomes are refurbishment of the highway infrastructure and management of operational services on the network.

**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Public Service Excellence	Yes
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	Yes
Children: A Safe And Secure City In Which To Learn And Grow	Yes
Health: Helping People Become More Physically Active And Well	Yes
Housing : To Meet The Needs Of All Current And Future Citizens	Yes
Jobs And Skills: For An Enterprising, Innovative And Green City	Yes

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Not Relevant	No
Disability	Not Relevant	No
Gender	Not Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Not Relevant	No
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

### 2.4 Analysis on Initial Assessment

The decision affects the services delivered under the contract by:

- . Ensuring that standards are delivered in the future;
- . Obtaining payments under the contract in lieu of service not provided;
- . Resolving disputes.

There is no change proposed to the standards required under the contract and this decision will not affect the safety of the highway and the proposed change in standards will remain within national and industry standards.

The changes proposed will not contribute to inequality for any group with a protected characteristic.

There are no changes proposed to the standards of services and therefore there is no negative impact of this decision.

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Concluding Statement on Full Assessment**

This initial screening demonstrates that the proposals are robust and there is no potential for discrimination or adverse impact as a result of implementing this decision.

### **4 Review Date**

16/06/17

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Director Commissioning and Procurement - Corporate Procurement Services</b>
<b>Date of Decision:</b>	<b>25<sup>th</sup> July 2017</b>
<b>SUBJECT:</b>	<b>COMMISSIONING STRATEGY 2017+</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: 003887/2017</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/> <b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Cllr Majid Mahmood, Cabinet Member, Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Mohammed Aikhlaq Corporate Resources and Governance</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
1.1 To seek approval from Cabinet to implement the Commissioning Strategy 2017+

<b>2. Decision(s) recommended:</b>
That Cabinet:
2.1 Approves the Commissioning Strategy 2017+ (Appendix 1).

<b>Lead Contact Officer(s):</b>	Haydn Brown, Head of Procurement Strategy and Development
<b>Telephone No:</b>	Corporate Procurement Services Strategic Services Directorate 0121 303 0016
<b>E-mail address:</b>	Haydn.Brown@birmingham.gov.uk

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>Cabinet Members, Councillor Brew and Councillor Meirion Jenkins, Cllr Jon Hunt and the relevant Scrutiny Chair have been consulted.</p> <p>Colleagues across the Council, the Executive Management Team, Corporate Leadership Team, Corporate Commissioning Team have all contributed to the formation of the strategy</p> <p>Officers from Legal Services, Finance and Corporate Procurement have been involved in the preparation of this report</p> <p>3.2 <u>External</u></p> <p>BVSC (Birmingham Voluntary Sector Council) were consulted and have agreed to support the implementation within the VCSE sectors.</p>
<b>4. Compliance Issues:</b> <p>4.1 <u>Are the recommended decisions consistent with the Council policies, plans and strategies?</u> The strategy and governance arrangements (see 9.6 of the strategy for Governance Arrangements) supports the Council's Future Operating Model and co-commissioning models that we will need as an organisation to deliver our vision and priorities.</p> <p>4.2 <u>Financial Implications</u> The Commissioning Strategy 2017+ will not have a financial implication. Its application will have a positive impact to the delivery of savings and will be captured in commissioning reviews and reports. It also recognises the drive to be more commercial.</p> <p>4.3 <u>Legal Implications</u></p> <p>4.3.1 Development of an effective commissioning strategy is made pursuant to the Council's best value duty under Section 3 Local Government Act 1999 and the general power of competence contained in s1 Localism Act 2011.</p> <p>4.3.2 The proposed commissioning strategy will also support the Council in complying with its obligations under the Public Services (Social Value) Act 2012 ("Social Value Act"). The Council has recently updated its Social Value, Living Wage and BBC4SR, which are relevant to theme 9.2 of this strategy.</p>

<b>5. Background</b>
<p>5.1 The Commissioning Strategy will support delivery of the Council priorities to be a city of growth where every child, citizen and place matters. This Strategy, along with a series of enabling strategies and front line service strategies, recognises the Council of the future will be smaller; more strategic and partnership based.</p> <p>5.2 The strategy does not "re-invent the wheel"; instead it builds on current practice and sets out the Council's position regarding commissioning, together with the main themes, issues</p>

and challenges. It provides an overarching framework for commissioning in Birmingham and takes account of changes at a national, regional and local level, drawing on legislative changes, policies and other evidence sources.

5.3 The approach taken included an initial workshop held in July 2016 and then consultation with internal and external stakeholders to understand local drivers and issues. The strategy was continually developed and refined to incorporate:

- vision and guiding principles;
- strategic themes;
- approach to meet Council and citizen needs.

5.4 The key implementation issues and proposals are:

5.4.1 Appropriate Governance - The strategy recognises that links into other internal and external governance boards are needed to ensure implementation is embedded at all levels. This enables timely, effective co-ordination of effort to achieve the outcomes and financial savings required.

5.4.2 The Corporate Commissioning Board (CCB) remit is being reviewed to be more effective - CCB provides corporate oversight seeks resolution on issues which are cross cutting or require change and prioritisation of resources. Each directorate will support and challenge services on the delivery of the strategy. Quarterly update reports on the implementation of the strategy will be provided to CCB.

5.4.3 Achieve consistency of approach – CCB reps will use this strategy to work with officers to further embed commissioning into our culture, processes and systems. This will expand the commissioning network of officers in the Council. Ongoing communication and training will support strategy delivery.

5.4.4 Engagement of Partners - The directorates and external partners will provide challenge and support to the commissioning strategy, which will be flexible to take on board developments annually arising from internal and external factors. Officers will work with stakeholders, suppliers and partners (e.g. Third Sector) to commission appropriately. The strategy will explore the potential for a virtual partnership commissioning hub.

5.4.5 Celebrating success and sharing knowledge - It is proposed that commissioning strategy success does not go unrecognised. This strategy will collate examples of meeting the “Direction of Travel”; acknowledge and share learning and achievements that contribute toward developing the Council of the Future.

## **6. Evaluation of alternative option(s):**

6.1 BCC could continue to operate without a new Commissioning Strategy; however this is deemed not to be an effective approach to support the Future Operating Model and BCC becoming an Enabling Authority.

The Council’s Commissioning Strategy is central to achieving this and enabling the delivery of Children, Housing, Jobs and Skills, and Health priorities.

<b>7. Reasons for Decision(s):</b>
7.1 To enable implementation of the Commissioning Strategy 2017+, including updating governance and improved engagement with internal and external parties.

<b>Signatures</b>	<b><u>Date</u></b>
<p>Chief Officer(s): .....  Nigel Kletz  Director Commissioning and Procurement – Corporate Procurement Services</p> <p>Cabinet Member(s): .....  Councillor Majid Mahmood  Cabinet Member, Value for Money and Efficiency</p>	

<b>List of Background Documents used to compile this Report:</b>
1. Enabling Strategies: Citizen Access, ICT&D, People and Engagement 2. Council Commissioning Toolkit

<b>List of Appendices accompanying this Report (if any):</b>
1. Commissioning Strategy 2017+

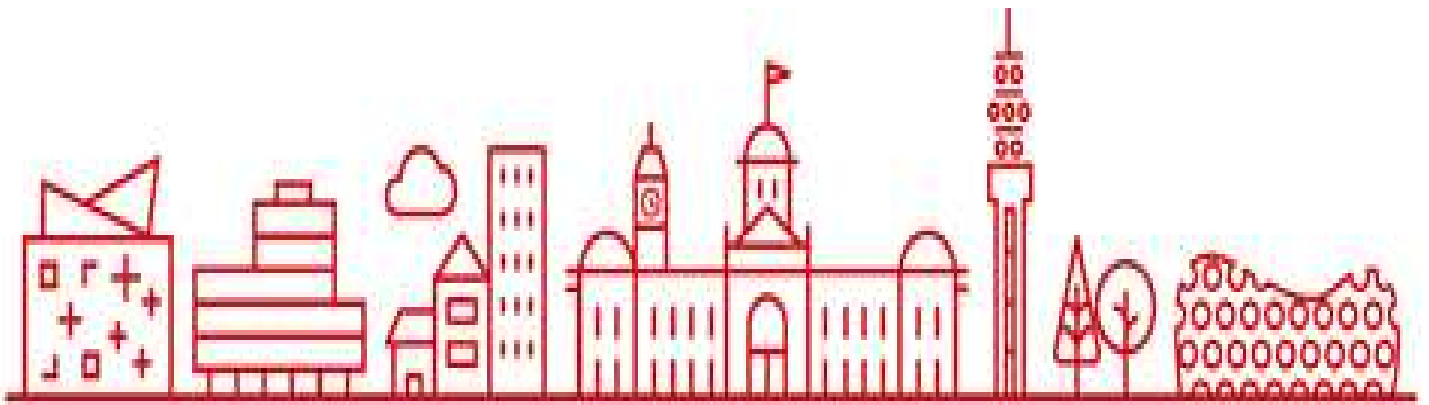
<b>Report Version</b>	<u>4</u>	<b>Dated</b>	<u>13/07/2017</u>
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# Commissioning Strategy 2017+

**Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency**

**Nigel Kletz, Director of Commissioning & Procurement**



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# 1. Foreword – Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency

The Council's Vision is for Birmingham to be a city of growth where every child, citizen and place matters. To achieve this, the Council has to become an Enabling Authority – not solely delivering services itself but by working with partners to achieve shared outcomes and understanding local needs through citizen engagement through directorates' co-commissioning models of working with communities and partners. The Council's Commissioning Strategy is central to delivering its Priorities of Children, Housing, Jobs and Skills, and Health.



A great deal has already been achieved though adopting a commissioning approach, supported by effective and efficient procurement and contract management. Examples include: A redesigned Early Years' service, the Youth Employment Initiative and Youth Promise Plus, creation of a 1000 new jobs, 400 work placements and 200 apprenticeships through the Birmingham Business Charter for Social Responsibility plus over 600 contracted workers uplifted to the Birmingham Living Wage.

Although there is still much left to do to address the financial challenge, we can through transformation and an increased focus on commissioning, commercialism and exploration of wider investment and funding approaches meet this challenge.

This Commissioning Strategy highlights the substantial progress made since our previous strategy was issued and in delivering the recommendations of the Kerslake review and the Improvement Panel. For example we have improved working with Partners, both strategic and those in the supply chain and have involved them as co-commissioners which has led to substantial savings being achieved, whilst at the same time additional Social Value has been secured.

As the largest Local Authority in the country the Council contributes significantly to the development of the West Midlands Combined Authority, to regional devolution and to exert national influence including with government directly and through the LGA and the Procurement National Advisory Group.

I am therefore pleased to endorse this commissioning strategy as a means to help us achieve the outcomes we seek for the citizens of Birmingham.

Our vision for this strategy is therefore **“Enabling the right outcomes for citizens through commissioning”**.



## 2. Executive Summary - Nigel Kletz, Director of Commissioning & Procurement

### Executive Summary

The Commissioning Strategy for Birmingham City Council has been developed in consultation with our key partners and stakeholders, to ensure we address key challenges and priorities and have a consistent commissioning approach across the council. It highlights the substantial progress since our previous strategy issued in 2011 and now incorporates the recommendations of the Kerslake Review and the Improvement Panel.

Commissioning means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

For us to be an Enabling Authority we are working more in partnership with providers and stakeholders with an increasing focus on different service delivery models, commercialism and exploration of wider investment and funding approaches.

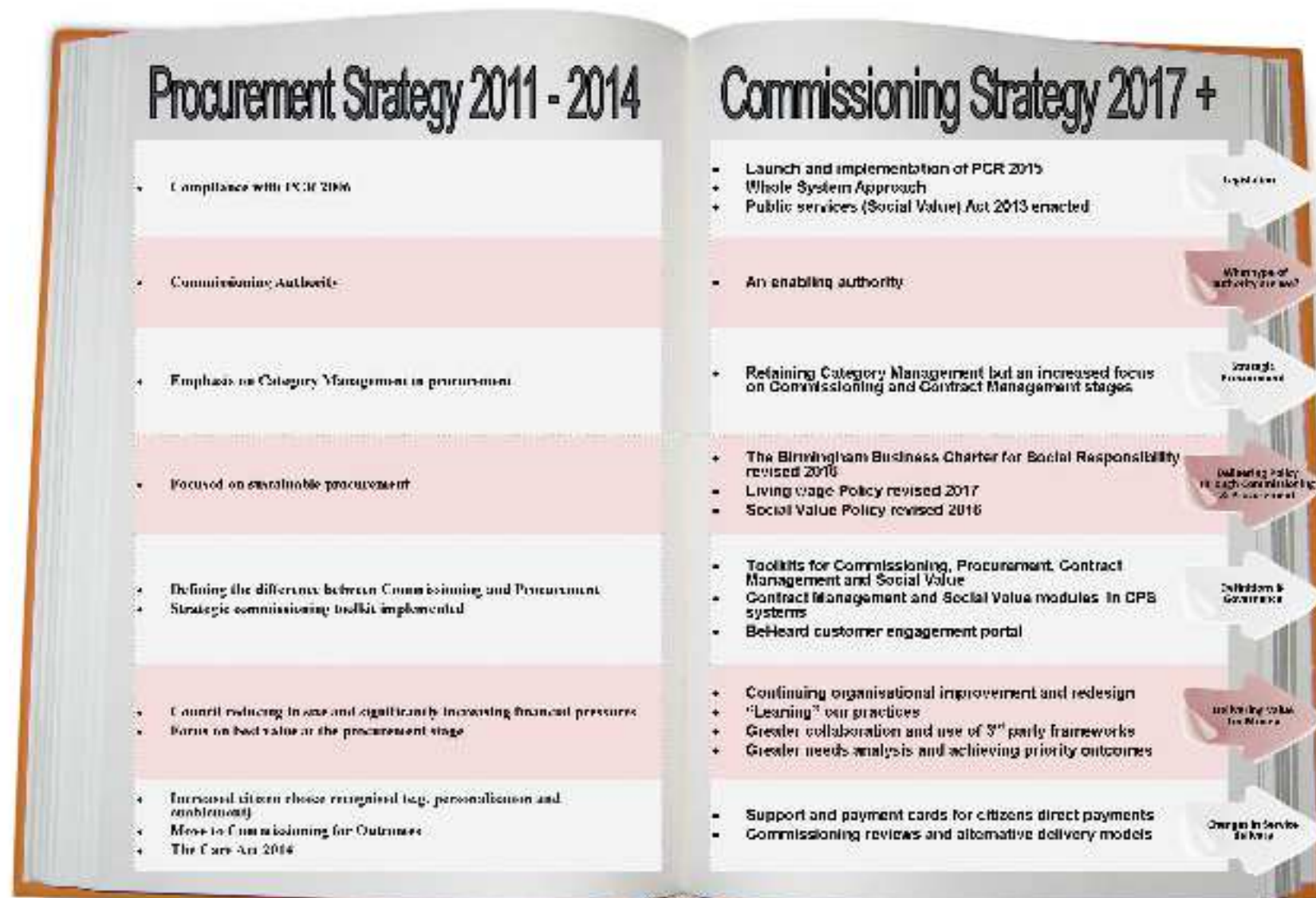
Our commissioning strategy sets out 7 key objectives that are aligned to our values and each will drive the Council's Commissioning activity, with a focus on delivering the Council's priorities for Children, Housing, Jobs and Skills and improving the Health and Wellbeing of all residents in Birmingham.

The strategy provides an overarching framework for commissioning related activity in Birmingham, taking account of changes at a national level, regional growth and local level (WMCA and the West Midlands Engine) and drawing on legislative changes, policies, Public Services (Social Value) Act 2012 and other evidence sources.

This Commissioning Strategy is one of a series of enabling strategies, which along with the front line service strategies, recognise that the Council of the future will be smaller; more strategic and partnership based. They link together to address the Council priorities and provide citizens with the services they require to help their neighbourhoods and communities thrive.

**Nigel Kletz**  
**Director, Commissioning and Procurement**  
**Corporate Procurement**

# 3. Development Timeline



## 4. ADDRESSING THE ISSUES

**Following the Kerslake Review in 2014, the report of the Independent Financial Review Team December 2016 stated:**

“The delivery of savings in 2017/18 and beyond will require robust and focussed management, with clear accountabilities and delivery plans in place. There is some good evidence that these arrangements are in place but not consistently across all service areas. The Council therefore has work to do to strengthen this important aspect of their governance.”

**Recommendations included:**

- “In the light of any potential slippage in the existing planned savings, the Council should consider additional proposals as part of a contingency savings plan;
- A consistent set of delivery plans should be prepared, which identifies officers responsible for delivery, clear accountabilities, and robust risk and impact assessments”.

**This strategy supports the measures to address these recommendations:**

- Savings are achieved throughout the commissioning cycle, with value for money, risk management and contingency planning being managed accordingly. (9.1)
- Commissioning reviews, with appropriate citizen and provider engagement deliver new and innovative solutions to drive efficiencies (9.3, 9.4).
- Improved commercialism to drive income generation and better use of assets, resources and intellectual property. (9.5)
- Governance will be reviewed and be more joined up, ensuring we target resources in a way that compliments achievement of related strategies to minimise disruption and maximise opportunity. (9.6)
- Further cost reduction by development of our systems and processes to make best use of our data and further enhance our capacity (9.7).
- Investing in our people to ensure they have the skills and capabilities to meet the challenges and deliver excellence. (9.7)

**Action Plan:**

- An action plan will be implemented for each 12 months period of the implementation plan.



## 5. THE COUNCIL OF THE FUTURE

### Delivering Council Priorities through enabling strategies

In 2016 the Council created this programme as a way of harnessing and coordinating several key improvement programmes to:

- Create a foundation for longer term change.
- Ensure we target our limited resources on those activities or significant projects that will help us achieve our purpose - our 'big moves'.
- Embed and share the 'Golden Thread' - from our purpose to the things all of us do every day.
- Find new ways of achieving our purpose and helping Birmingham and the people who live and work here to thrive in a time of reducing resources.
- Deliver on agreed budget savings.
- Change our culture - make the Council of the future 'come to life' for us all - and change the way we do things.
- Find new ways of actively encouraging collaboration, change and innovation in all parts of the Council and with our partners and stakeholders.

#### Our Council of the Future will be:

**Smaller and more strategic** - The role of the Council will be less about direct service delivery and more about supporting a wider range of partnerships and providers, including social enterprises and the contribution of voluntary effort and the community.

**Partnership based** - The new role of the council will be more about empowering bottom up action and brokering partnerships between communities and organisations that contribute to the future of the city.

This strategy is part of a suite of strategies to drive forward change and deliver the Council of the Future. Appendix A shows the strategies that are being implemented and their inter-related themes of:

Citizen enablement; effective service delivery; innovation; insight;  
Developing capabilities; council values; commissioning with partners; governance.

The improved capability and approach of the organisation will support future commissioning in delivering the outcomes required.

## 6. A COORDINATED APPROACH

### Local and regional priorities

#### Engaging with Partners and Communities

The Social Value Policy, the Birmingham Business Charter for Social Responsibility and the Birmingham Living Wage Policy were adopted by the Council in April 2013 and updated during 2016/17. The purpose of these policies was to address Birmingham's social, economic and environmental issues through the engagement of business and third sector partners.

Implementation of the Charter is now embedded in the Council's commissioning, procurement and contract management processes. This continues to be an emerging agenda and the Council will continue to develop its approach to maximise the volume and quality of social value delivered for the citizens of Birmingham.

#### Regional growth – WMCA and the West Midlands Engine

Development and implementation of the West Midlands Combined Authority is a catalyst for collaboration and includes the sharing of best practice; opportunities for joint commissioning; increasing social value and supporting the Mayor in driving forward regional growth.

Embracing devolution ensures that citizens benefit from improvements in the region.

#### National Procurement Strategy

At a national level, the Council will continue to work through the National Advisory Group for Local Government Procurement (NAG), to influence, shape and develop national procurement policy as defined in it's Terms of Reference: <http://www.local.gov.uk/web/lq-procurement> and through ongoing implementation of the National Procurement Strategy work streams, in particular:

- **Making Savings**, through collaboration, targeting appropriate solutions to meet needs and improved contract management outcomes.
- **Supporting local economies**, through Social Value and providing opportunities for the 3<sup>rd</sup> sector and Small and Medium Enterprises. Ensuring commissioning outcomes and priorities are brought together to focus on and be coordinated around places with the highest (and multiple needs)
- **Leadership**, through delivering strategic outcomes in relation to assessed user needs; managing demand through the commissioning process & developing capabilities.
- **Modernisation** through innovation & commercialisation.

The Council will seek to influence a New National Procurement Strategy through NAG, adapt this Strategy to take on board new recommendations and join others in influencing policies locally, regionally and nationally. Developments as a consequence of Brexit will be considered in conjunction with this and other fora over the duration of this strategy.



## 7. HOW COMMISSIONING WORKS WITH OUR VALUES

OUR VALUES	OUR APPROACH
<b>Putting Residents First</b>	<ul style="list-style-type: none"> <li>• Determining the best approach to deliver successful outcomes for the citizens of Birmingham, both now and in the future</li> <li>• Outcomes vs outputs and targeting social value</li> </ul>
<b>Acting Courageously</b>	<ul style="list-style-type: none"> <li>• A process that will lead each service area, whether front-line or support service, to challenge its purpose and find the best possible way to deliver. To think originally and innovatively</li> </ul>
<b>Achieving Excellence</b>	<ul style="list-style-type: none"> <li>• Targeting delivery, demand management and managing risk proportionately. Solutions delivered by whoever is best placed to achieve the required outcomes</li> <li>• Taking an asset based approach which recognises supports and invests in the city's tangible and intangible assets (including resources, systems and Intellectual Property)</li> </ul>
<b>Being True to our Word</b>	<ul style="list-style-type: none"> <li>• Connecting with key stakeholders, listening to service users, being honest about what we can and will deliver and responding to changing needs</li> <li>• Having a commissioning strategy which complements a coherent council vision and one council approach</li> </ul>

## 8. GUIDING PRINCIPLES IN DEVELOPING THE STRATEGY

**We established the following guiding principles to ensure the relevance and focus of the strategy development and implementation. Specifically that it:**

- Enables delivery of the Council strategic priorities, reducing inequalities between different people and communities.
- Promotes the Council's values and behaviours.
- Increases the focus on achieving outcomes rather than outputs.
- Creates social value locally.
- Improves commissioning with partners and engagement of Citizens.
- Promotes evidence-based commissioning and sustaining a continual approach to service improvement.
- Promotes innovation and new service delivery models.
- Demonstrates equality, transparency and accountability.
- Includes the whole commissioning cycle within its scope.
- Commits to build on existing capabilities.
- Ensures lean systems are in place and that value for money can be demonstrated at every step in the process.
- Communicates a clear commissioning approach to internal and external stakeholders.

## 9. OBJECTIVES OF THE STRATEGY

9.1	Delivery of outcomes and value for money
9.2	Increasing social value locally
9.3	Improving commissioning with partners
9.4	Enabling Citizens through solution design & delivery
9.5	Improving commercialism and income growth
9.6	Appropriate governance and assurance
9.7	Enhancing capability and capacity to deliver outcomes

## 9.1 DELIVERY OF OUTCOMES AND VALUE FOR MONEY

What	How
<b>9.1.1 Evidenced based outcomes</b>	<ul style="list-style-type: none"> <li>• Engage citizens to ensure relevant outcomes sought</li> <li>• Target interventions to maximise impact within available budget</li> <li>• Appropriate supporting data to inform commissioning strategy</li> <li>• By demonstrating the performance of our partners and the supply chain</li> </ul>
<b>9.1.2 Savings achieved throughout the commissioning cycle, with value for money, risk management and contingency planning being managed accordingly</b>	<ul style="list-style-type: none"> <li>• Appropriate forecasting through benchmarking and demand profiling</li> <li>• Effective procurement and contract management delivering cashable savings and quality services</li> <li>• Innovative contracts that are outcome focussed</li> <li>• Achieving value for money from our contracts and through our relationships</li> <li>• Managing unintended consequences of commissioning decisions</li> </ul>
<b>9.1.3 Reducing Demand on council services</b>	<ul style="list-style-type: none"> <li>• Working with partners to provide alternative solutions and investment in services.</li> <li>• Improved use of technology</li> <li>• Investment in prevention by identifying causes, raising awareness &amp; providing alternative support to citizens</li> </ul>
<b>9.1.4 Minimising whole life costs</b>	<ul style="list-style-type: none"> <li>• Strategic relationships with partners/providers</li> <li>• Solutions and decisions based on robust and sustainable financial modelling of options</li> <li>• Recognising that things change and building affordable flexibility into contracts and solutions to accommodate this</li> </ul>

## 9.2 INCREASING SOCIAL VALUE LOCALLY

What	How
<b>9.2.1 Implement the updated Social Value Policy, Living Wage Policy and Birmingham Business Charter for Social Responsibility</b>	<ul style="list-style-type: none"> <li>• All commissioning activity considers social value in accordance with the policies</li> <li>• That commissioners, procurers and contract managers are capable of using the toolkits and systems to ensure a consistent approach.</li> <li>• By incorporating in the contract those relevant high priority community projects that have been identified by the SV Coordination panel</li> <li>• Promoting the Birmingham Living Wage through our commissioning activities</li> </ul>
<b>9.2.2 Ensuring specific social value outcomes are included in commissioning activity</b>	<ul style="list-style-type: none"> <li>• By carrying out additional consultations with citizens where appropriate</li> <li>• Apprenticeships and employment for vulnerable citizens</li> <li>• Priority SV projects e.g. under “Partners in Communities “in accordance with the Social Value policy</li> <li>• Recognising the importance of investing in places, neighbourhoods and communities to achieve longer-term outcomes for citizens</li> </ul>
<b>9.2.3 Maximise the social value achieved from key suppliers in the region</b>	<ul style="list-style-type: none"> <li>• Working within the West Midlands Combined Authority to coordinate our social value activities</li> <li>• Promote the uptake of the Social Value Maturity Index amongst our suppliers</li> <li>• Agree a set of Themes Outputs and Measures that may be used across the region as a basis for measurement along with supporting values</li> <li>• Develop 3 partner groups to help identify and deliver specific social value objectives, involving suppliers from various sectors</li> <li>• To promote and develop the potential use of Social Value as a part of the Planning process</li> </ul>

What	How
<b>9.2.4 Promote the BBC4SR brand to increase awareness, support and pride of the joint commitment to social value</b>	<ul style="list-style-type: none"> <li>• Monthly breakfast events</li> <li>• Promotional marketing and communications</li> <li>• Celebrating the achievements of accredited organisations</li> <li>• Highlighting the benefits realised by citizens through case studies</li> </ul>
<b>9.2.5 To increase the number of organisations voluntarily signed up to the BBC4SR who are providing commitments to address social value needs in Birmingham</b>	<ul style="list-style-type: none"> <li>• By using new system functionality to capture action plans and matching to local need through engagement of 3rd sector</li> <li>• By developing improved techniques to create further capacity and increase uptake</li> </ul>
<b>9.2.6 Determine if a sustainable model can be achieved to meet SV needs and maximise impact locally without the reliance on public sector funding</b>	<ul style="list-style-type: none"> <li>• Carry out an initial pilot study that engages suppliers and reviews the market position</li> <li>• Engage third sector organisations and Charter signatories to build sustainable relationships as well as deliver high impact outcomes</li> <li>• Establish the degree of opportunity for innovative solutions and implement accordingly</li> </ul>
<b>9.2.7 Continue to push this agenda forward to enable greater achievements, leaner systems, and more unified approaches</b>	<ul style="list-style-type: none"> <li>• Support the national social value taskforce with ongoing development work to bring greater clarity and uniformity</li> <li>• Be involved in the legislative reviews</li> <li>• Review systems to ensure they remain fit for purpose</li> </ul>

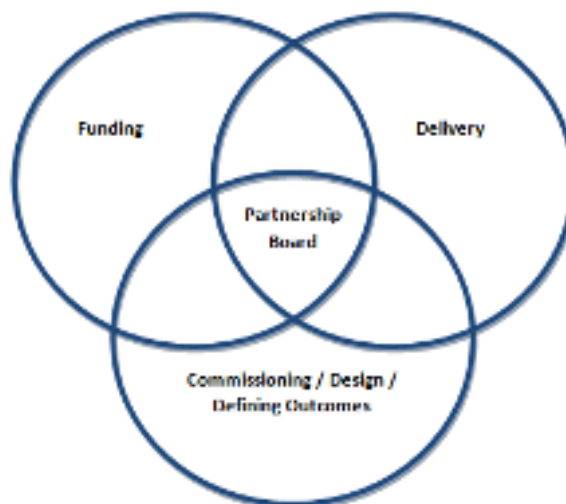
## 9.3 IMPROVING COMMISSIONING WITH PARTNERS

WHAT	HOW
<b>9.3.1 Creation of more innovative solutions</b>	<ul style="list-style-type: none"> <li>Continuing the move to commissioning for outcomes</li> <li>Use of Procurement Contract Regulation 2015 - Innovation Partnerships approach where appropriate</li> <li>Setting the outcomes rather than specifying solutions to encourage innovation and efficiencies from the supply market</li> <li>Use of whole-system approach to commissioning where multi-agencies/providers have a coherent 'plan' to work to</li> <li>Recognising 'we don't always know best' by seeking market engagement and Public/Private Sector Best Practice</li> <li>By being less risk averse and more open to new ideas</li> </ul>
<b>9.3.2 Ensuring there is a diverse market to commission from, including within the supply chain</b>	<ul style="list-style-type: none"> <li>Market sounding and shaping to identify and address gaps in the market</li> <li>Promote alternative commissioning approaches and models, which place a greater emphasis on the assets and roles of community-based organisations so that they can better compete</li> <li>Explore ways to develop or highlight the capabilities of the local supply market and their value to the city</li> <li>Develop the role of providers and partners in securing funding to deliver citizen outcomes</li> <li>Establishing the extent to which external grant funding is required e.g. around health, children and families</li> <li>Ensure the needs and concerns raised in Lord Young's Review are recognised and considered <i>"contract size and the optimal circumstances for procuring on a large scale versus purchasing through smaller procurements"</i></li> </ul>
<b>9.3.3 Improving outcomes by more effective working with partners</b>	<ul style="list-style-type: none"> <li>Recognising and benefitting from the experience and best practice of partners.</li> <li>To do more work to explore a virtual partnership commissioning hub as shown in <b>9.3.4</b></li> </ul>

## 9.3.4 PARTNERSHIP COMMISSIONING HUB

Reviews of council practice have identified the need for more flexible & effective working with partners. This can be reflected in how we support and engage the local supply markets to achieve effective outcomes.

The differing and potentially complimentary or conflicting roles of partners can be explored further as outlined below:



### Further considerations may comprise:

- Determining what a Partnership Board needs to look like in the future to meet the funding challenge and community needs.
- Determining appropriate governance to mitigate budget shortfalls by working with other organisations that support the delivery of common outcomes.
- Exploring each of the interfaces in different environments and against delivering the Council's 4 priorities; the constraints and benefits they provide.
- Ensuring that external funding relates to council priorities and is co-ordinated with commissioning activities.
- Involving providers; consider risks of challenge; any conflict of interests; the on-going role of that provider in the delivery of services and the need to retain some form of Commissioner-Provider split (See case studies in Appendix B showing this approach working in practice).
- Building and nurture effective relationships between the interfaces to create trust and support.
- Creating feedback loops to share information and best practice
- Identifying what works, potential duplication and promotion of opportunities with external grant funders. Link to funding programmes, insights and awareness of projects and local organisations operating in the city.
- Improving working relationships between the partners and the city.
- Delivering flexibility & responsive service, which meets the needs of partners & community.
- Increase satisfaction and relationship between the Council and the Voluntary and Community Sector.



## 9.4 ENABLING CITIZENS THROUGH SOLUTION DESIGN & DELIVERY

WHAT	HOW
<b>9.4.1 That the needs of the citizen are clearly understood</b>	<ul style="list-style-type: none"> <li>• Engaging with and involving the Citizen, understanding their needs and priorities</li> <li>• Using appropriate data to achieve customer insight</li> <li>• Engaging with 3rd sector providers who understand citizen needs and the supply market who can provide innovation</li> <li>• Understanding trends and intervention strategies</li> </ul>
<b>9.4.2 That solutions are fit for purpose</b>	<ul style="list-style-type: none"> <li>• Co-producing solutions with people and their communities</li> <li>• That a coordinated approach is taken to related solutions and providers</li> <li>• Considering the individual and local requirements on provision and changes in funding, e.g. personal and devolved budgets</li> <li>• Where appropriate contracts allow flexibility for service levels to reflect local needs</li> <li>• Setting the outcomes rather than specifying solutions to encourage innovation and efficiencies from the supply market</li> <li>• That any legal implications are suitably addressed</li> </ul>
<b>9.4.3 That citizens make informed choices</b>	<ul style="list-style-type: none"> <li>• Supporting and signposting Citizens to alternative provision where services are decommissioned</li> <li>• Engaging with and involving the Citizens to understand their needs and priorities</li> <li>• Communicating clearly, offering choice and educating Citizens through common language and explanation</li> <li>• Clear and transparent content in Public Procurement reports</li> <li>• Greater public awareness of contracts and solutions that can make a positive impact to the residents of Birmingham</li> </ul>

## 9.5 IMPROVING COMMERCIALISM AND INCOME GROWTH

WHAT	HOW
<b>9.5.1 Increase the ability of the Council to be more commercial.</b>	<ul style="list-style-type: none"> <li>• Identify areas of high commercial opportunity, agree the ambition regarding growth / surplus, monitor and drive the achievement of commercial business plans – leading to income or cashable savings</li> <li>• Unblock issues and barriers to achieving commercial success across the organisation – leading to an infrastructure and practices that facilitate successful commercialism</li> <li>• Embedding Across the Organisation the development of an innovative, empowered commercial culture – leading to commercial initiatives being developed and implemented by staff</li> <li>• Enabling Innovation and Assessing New Opportunities – Operate as a ‘think tank’ and decision making forum for areas with high risk / potential to move in to new ground – including decisions on how services should be delivered (i.e. in-sourced, JV, mutual or outsourced) – leading to robust and effective business cases being produced around innovative approaches</li> </ul>
<b>9.5.2 Increase the commercial return to the Council and to the local economy</b>	<ul style="list-style-type: none"> <li>• Promoting and developing traded services in competitive markets</li> <li>• Investing in commercial opportunities through our access to capital</li> <li>• Maximising our assets</li> <li>• Utilising our relationships and influence</li> <li>• Develop partnerships that deliver financial and service benefits</li> <li>• Explore opportunities through alternative commercial opportunities</li> </ul>

## 9.6 APPROPRIATE GOVERNANCE AND ASSURANCE

WHAT	HOW
<b>9.6.1 Ensuring that governance for implementation of strategies enables effective co-ordination of effort and achieves the outcomes and financial savings required</b>	<ul style="list-style-type: none"> <li>• That Corporate Commissioning Board continues to drive best practice and compliance</li> <li>• Links to other internal and external governance boards to coordinate activity</li> <li>• Ensuring rigour and accuracy shines through the quality of reports to underpin the transparency of informed decision making</li> <li>• Promoting this strategy to ensure it is embedded in the structure at all levels</li> <li>• Supporting implementation of the recommendations from the Improvement Panel</li> </ul>
<b>9.6.2 That timely commissioning decisions can be made to ensure required outcomes are achieved</b>	<ul style="list-style-type: none"> <li>• Effectively managing delegated authority in accordance with Standing Orders and Procurement Governance Arrangements</li> <li>• Implementing Lean systems and processes</li> <li>• That all appropriate toolkits are maintained and used to ensure consistency of approach and quality outputs</li> <li>• Greater foresight and planning in order to deliver timely solutions</li> </ul>
<b>9.6.3 Effective delivery through the West Midlands Combined Authority</b>	<ul style="list-style-type: none"> <li>• WMCA constitution enables joint commissioning.</li> <li>• Work with partners to develop and implement a Common WMCA Social Value approach</li> </ul>

## 9.7 ENHANCING CAPABILITY AND CAPACITY TO DELIVER OUTCOMES

WHAT	HOW
<b>9.7.1 In-house capability to manage the delivery of a greater range and complexity of contracts</b>	<ul style="list-style-type: none"> <li>• Developing skills across the council and sharing knowledge with partners to enable commissioning and commercialism to deliver outcomes</li> <li>• Adopt partnership approaches to developing commissioning talent e.g. secondments, apprenticeships etc</li> <li>• Recognising 'we don't always know best' by seeking market engagement and best practice</li> <li>• Shared learning with our supply chain and other partners</li> <li>• Developing learning networks and partnerships with other LAs and potential funding organisations</li> </ul>
<b>9.7.2 Increased organisational capacity to deliver the scale of commissioning activities</b>	<ul style="list-style-type: none"> <li>• Improved use of data and technology to inform decision making, share information and report on performance to provide greater transparency</li> <li>• Improved visibility corporately of projects and contracts to increase compliance to corporate contracts, reduce abortive/duplicated work &amp; provide greater efficiencies from corporate systems</li> <li>• Greater partnership working to share resources and expertise</li> <li>• Process rationalisation where appropriate</li> <li>• Prioritisation and risk management</li> </ul>

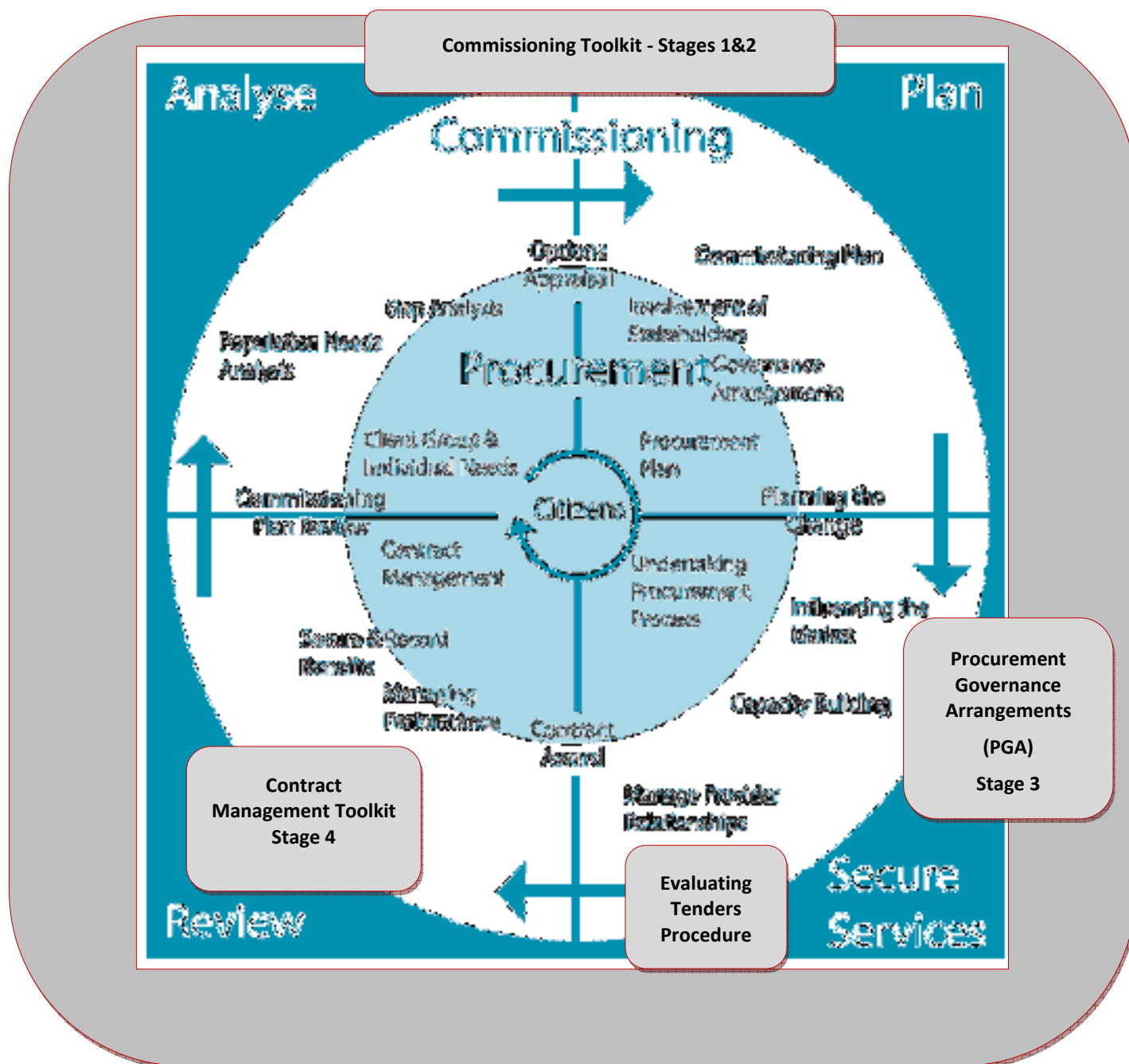
## 10. THE DIRECTION OF TRAVEL

Potential changes from each theme over the 3 year life of this strategy

THEME	OBJECTIVE	FROM	TO
9.1	<b>Delivery of outcomes and value for money</b>	Cashable savings from service delivery	Engineering Value through prevention, innovation and demand management
9.2	<b>Increasing social value locally</b>	Suppliers offering short-term social value commitments	Targeted matching to needs and sustainable relationships
9.3	<b>Improving commissioning with partners</b>	A linear, tiered provision, having fewer, larger providers	More responsive provision, either System-led or through self-organised, local providers
9.4	<b>Enabling Citizens through solution design &amp; delivery</b>	Delivering services to people	Greater Citizen Engagement with co-production & personalisation
9.5	<b>Improving commercialism and income growth</b>	Recovering costs within business units	Generating a surplus within business units
9.6	<b>Appropriate governance and assurance</b>	Process heavy governance through Council's Standing Orders/Procurement Governance Arrangements	Governance that ensures probity but is seen more as an enabler to achieve local and regional outcomes
9.7	<b>Enhancing capability and capacity to deliver outcomes</b>	Re-alignment of skills due to staff reductions, managing the financial pressures and the change agenda	A flexible workforce with the breadth of skills to deliver the Council of the Future as part of the West Midlands Engine
<b>OVERALL STRATEGY</b>		A Commissioning Strategy for Birmingham City Council	The potential for a Joint Commissioning Strategy city wide with partners

## 11. THE COMMISSIONING CYCLE

The diagram below shows the 4 stages of the commissioning process that we follow, along with the toolkits that govern each stage.



# 11.1 CORPORATE FUNCTIONS THAT ENGAGE THROUGHOUT THE COMMISSIONING CYCLE

## Commissioning

- Citizen and outcome focused - strong commissioning ethos
- Market engagement and management – understands the value
- Sector strengthening – understands the needs
- Demand Management
- Impact on Council of Commissioning decisions
- Governance: relevant legislation,
- Member engagement

## Procurement

- Work with clients to develop procurement strategies
- Negotiate best value innovative contracts
- Implement category management
- Implement policies through procurement
- Delivery of savings

## Contract Management

- Identifying and delivering financial benefits through CM
- Promoting and recognising the value of positive supplier relationships
- Identifying and working with the supply chain to achieve mutually beneficial goals
- Engineering value through flexible and adaptable contractual relationships
- Implement Policies through CM

## Service Development, Improvement and Performance

- Supporting development and implementation of policy,
- Ongoing implementation & review of Social Value approach
- Promoting Collaboration e.g. through West Midlands Heads of Procurement,
- Sharing and incorporating best practice
- Technical training to develop capabilities,
- Collaborating with schools and the wider public sector to purchase together and generating greater savings & income.
- Ensuring city wide compliance to policies and procedures
- Provide procurement helpdesk
- Development of procurement IT systems
- Performance monitoring & improvements

## Commercialism

- Taking a more business-like approach to everything we do by:
- Planning for and Investing in Growth
- Realising efficiencies
- Embracing and Embedding a culture of innovation and empowerment
- Managing and generating revenue from city assets



## 11.2 WORKING TOGETHER TO DELIVER THE COUNCIL'S VISION

Commissioning means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

This does not mean outsourcing, but does mean that we will look at what the right service delivery models are to deliver services in the most efficient and effective way, in order to achieve the best outcomes for our citizens.

The Council's Corporate Commissioning team works intrinsically with services across the whole and is currently leading or supporting on the following commissioning projects:

- **Waste Strategy:** Supporting the options appraisal for the Waste Strategy for the replacement Veolia contract
- **Early Years:** Supporting the commissioning and leading on the procurement for the rationalisation of the Early Years and Health Visiting services
- **Acivico:** Leading the commissioning, market sounding and providing Senior Responsible Officer (SRO) role for engaging with the market for the delivery of Design, Construction and Facilities Management services
- **Security:** Leading the commissioning of Security provision, considering in-house, contracted and CCTV options
- **Review of Montague St Depot:** Supporting the commissioning of the provision of the Montague St depot (to tie in with the Council's Transport Strategy and Waste Strategy).
- **Education Services:** Developing options for the provision of Education services
- **Children's Trust:** Supporting the Governance and Commissioning work streams for the establishment of the new Children's Trust
- **Building Consultancy:** Leading the options appraisal for Building Consultancy
- **Community energy Co:** Supporting the market sounding and the options appraisal for the establishment of a BCC Energy company
- **Occupational Health:** Leading on the commissioning of the Occupational Health provision, undertaking market sounding and considering partnering approach with other Authorities.



## 12. PERFORMANCE MEASURES

Our performance will be monitored annually and measures built into business plans and personal targets.

STRATEGIC THEMES	MEASURES
<b>Delivery of outcomes and value for money</b>	<ul style="list-style-type: none"> <li>• Cashable Savings Target from procurement and contract management achieved for 2017/18. Increased contract compliance levels (£9m)</li> <li>• Commissioning &amp; procurement strategies are evidence based and reflect Council priorities (Commissioning Reports) to deliver a quality service</li> </ul>
<b>Increasing Social Value locally</b>	<ul style="list-style-type: none"> <li>• Increase proportion of total Council spend with Business Charter accredited organisations (By 5% per annum).</li> <li>• Increase in apprenticeships by Charter accredited organisations. (By 10%)</li> <li>• Employees of Council suppliers are paid the Birmingham Living Wage. (100% of in scope suppliers)</li> </ul>
<b>Improving commissioning with partners</b>	<ul style="list-style-type: none"> <li>• Develop a joint commissioning plan with the WM Combined Authority. (Target plan produced by March 2018)</li> <li>• To do more work to explore potential for a <i>virtual partnership commissioning hub</i> and develop proposals to achieve greater benefits with partners. (Target plan produced by March 2018)</li> <li>• Engage Schools Forum regarding future procurement plans</li> </ul>
<b>Enabling citizens through solution design and delivery</b>	<ul style="list-style-type: none"> <li>• That citizens are informed about future commissioning by publishing Commissioning Plans for services that directly impact Citizens (Quarterly basis via web)</li> </ul>

STRATEGIC THEMES	MEASURES
<b>Improving commercialism and income growth</b>	<ul style="list-style-type: none"> <li>• Increased financial return to the Council following improved commercial activity. (Target set annually and agreed by Commercialism Board)</li> </ul>
<b>Appropriate governance and assurance</b>	<ul style="list-style-type: none"> <li>• Adherence to the Procurement Governance Arrangements. (Target: no late reports or contracts awarded after start dates)</li> <li>• Ensure a coordinated approach to commissioning across all areas to the Council</li> </ul>
<b>Enhancing capability and capacity to deliver outcomes</b>	<ul style="list-style-type: none"> <li>• Staff involved in commissioning/Procurement/Contract Management /Commercialism are trained in the relevant strategy and process (Target: training plans agreed by Commissioning and Commercialism Boards Q1 each year)</li> <li>• Finalise Intend system development (Dashboard, CM and SV modules); train staff across BCC; report on implementation as part of quarterly compliance monitoring</li> <li>• Improve the capabilities of the local supply markets including through social value commitments</li> </ul>

## Appendix A: CASE STUDIES

# PARTNERSHIP APPROACH TO ACHIEVING OUTCOMES

## Early Years Health & Wellbeing Services

### 1. Our Vision, Goal and Key Priority

*“To give every child in Birmingham an equal chance to have the best start in life so they can achieve their full potential”*

Our broad goals are to ensure that children and families thrive. This sits at the heart of our new vision and the provision of support to enable them to be resilient, healthy, safe and happy is a key priority.



#### Why we needed to change?

- Fewer children in Birmingham are assessed as having a good level of development by the time they start school than children living in other areas of the country
- Clear opportunity to join services up to improve outcomes for children and families.
- The funds received by the Council to provide services have significantly reduced.

Who We engaged With (so far)	Responses Received
<b>3428 responses</b> <ul style="list-style-type: none"> <li>• <b>333 Early Years</b> professionals</li> <li>• <b>1428 parents</b> of children aged under 5</li> </ul>	<ul style="list-style-type: none"> <li>• <b>81%</b> support the vision</li> <li>• <b>70%</b> support for universal and targeted approach</li> <li>• <b>High quality advice and information</b>, help to access services and appropriate support locally rated as being of most importance</li> <li>• <b>70%</b> support for parent led support</li> <li>• <b>75%</b> support for delivery into places children and families use the most</li> </ul>

## 2. Key Elements of the New Service Model

- Investment in staff not building
- Planning at a District level, with each district having a HUB building in combination with delivery across a range of community venues
- Integrated teams
- Integrated case working, removal of duplication
- Resources targeted to need
- Resilient families enabled to support each other

## 3. What this will mean to families?



#### 4. Working with Key Services for the Benefit of Children and Families

A vision draws together key services for the benefit of children and families as illustrated below:



#### 5. Integrated Approach and Better Outcomes

The approach aims to provide a 'joined up' integrated service and better outcomes for families. It brings together health, education and social care, so parents can have one point of contact rather than having to access a range of organisations. It will work closely with other services which help children and families such as GPs, hospitals, schools as well as voluntary groups.

# PARTNERSHIP APPROACH TO ACHIEVING OUTCOMES

## UNDERSTANDING SOCIAL VALUE WITH AMEY

*An article in Colmore Life, spring 2017 by Lara Thorns, Amey*

On a cold winter's night last November, over 600 people took part in St Basil's Big Sleepout at Birmingham Cathedral to raise money and awareness for youth homelessness services.

Fundraisers ranged from individuals to teams from companies based in the District and beyond supporting the cause.

But how important is community and charitable engagement or 'corporate social responsibility' to business? And how can you focus your own company activities? Amey, happen to be signatory #001 of the Birmingham Business Charter for Social Responsibility, feel like we have something to share when it comes to social value.

For those that haven't heard of us, Amey are one of the largest companies working in public and regulated sectors in the UK. From rail, highways and transportation to utilities, housing, and environmental services, some 20,000 employees keep daily life functioning across the country.

In Birmingham, Amey employs over 500 specialist consultants in our International Design Hub in the Colmore Building. Hundreds more across the West Midlands provide clean and waste services for Severn Trent Water, and deliver maintenance to Western Power Distribution's underground power network. We're most widely known in the city for our highways partnership with Birmingham City Council, maintaining and managing the roads, footpaths, street lights, traffic signals, street trees, highway drainage and much more. And it is through the relationship with the City Council that we are leading the way in developing synergies between the business and the third sector.

In January 2013, the Public Services (Social Value) Act came into force. At a time when public finances are significantly squeezed, the act sought to secure wider social, economic and environmental benefits through the procurement process for public service, ultimately getting better value for money and driving innovative solutions to problems. Sometimes this can drive activity that appears, on the surface, totally unlinked to the service being bought. For example, the unlikely partnership between Amey's highways business and their local charitable partners, Guide Dogs.

Amey started working with Guide Dogs and Queen Alexandra College, a specialist college for students with disabilities, back in 2013. By utilising the company-wide employee Community Involvement Day leave initiative, and with donations of materials from supply chain partners, Amey delivered a travel training site valued at over £35,000, designed to

assist students with vision impairments and mobility issues to learn to safely negotiate the street environment. The facility can also be used to train guide dogs and, most interestingly, Amey's own Traffic Management operatives responsible for installing temporary barriers and pedestrian diversions.

Since then, the relationship has continued to explore different possibilities, from Amey consulting experts on road issues affecting mobility, to joint campaigns to reduce cars parking on pavements and verges, which creates hazards for guide dog owners and damages the infrastructure Amey is responsible for maintaining. Through the project, Amey learnt that engaging the supply chain can multiply social value to the city and this is something they've continued to build on.

On that November night I mentioned earlier, a joint team from Amey and traffic management company, HTM, took part in the Big Sleepout to promote an initiative developed by HTM and St Basil's following a supply chain event hosted by Amey and Birmingham City Council.

The scheme, named From Homeless to Highways, helps young people who have experienced homelessness move on with their lives by providing employment opportunities on Amey's highways service. Since its launch in September, three people have gained employment as a result of HTM supporting young people in sheltered accommodation through the recruitment process for Traffic Management roles. The initiative also guides individuals through personal welfare milestones, such as registering with a GP for the first time. Amey are now looking to expand the scheme and encourage other supply chain partners to adopt a similar model.

There are so many businesses creating social value in their communities. What seems to be clear is it's those unique local partnerships nurtured as part and parcel of running a business, not just as nice-to-have additions that are making the greatest impact. And as Amey have found, the Birmingham Business Charter for Social Responsibility is a great place to start thinking about what social impact business can make.

**W: [amey.co.uk](http://amey.co.uk)**

**W: [finditinbirmingham.com/feature/charter](http://finditinbirmingham.com/feature/charter)**



## Appendix B:

# Glossary of Key Terms

**BBC4SR** - Birmingham Business Charter for Social Responsibility

**Commissioning** - means delivering the right outcomes for citizens by putting in place the right solutions that deliver the priorities for Birmingham. We work with citizens and partners to fully understand what is needed and how that will be best achieved, delivering value for money.

**Commissioning Plans/Intentions** – sets out the aims of the services, the outcomes sought, mechanism for delivery, i.e. in-house provision, contracted services, devolved responsibility.

**Commissioning Strategy** – This is a document that tells people what we have decided to do and why we have decided to do it (Our Vision and priorities). It contains a detailed plan describing the things that we will do to deliver the service and monitor how effective it is.

**Co-commissioning** - involves the public sector and citizens working together, using each other's knowledge and expertise, to prioritise which services should be provided for which people, using public resources and the resources of communities.

**Contract Management** - Contract management (and Supplier Relationship Management) is the on-going monitoring and management of contracts entered into with suppliers or partners for the provision of works, goods or services. It also includes the pursuit of increased benefits and value from supply arrangements by maximising leverage across multiple contracts, driving service improvement and exploiting innovation over the lifetime of the applicable contract(s).

**Corporate Procurement Services (CPS)** - The Council's central procurement department with expertise in commissioning and procuring goods and services. CPS ensures that Council policies and procedures are integrated into the procurement process and that they comply with BCC's rules and regulations, national and EU law.

**De-commissioning** – To stop commissioning an existing service; this could be for a variety of reasons including the service no longer being required.

**Delivery Plans** – the detailed document that sets out the specific projects required to meet the aims of the strategy and enables monitoring and management of those projects.

**Expenditure/Spend** - payment for goods, services or works. Expenditure can either be capital or revenue. Expenditure can also result from a grant.

**JV** – Joint venture



**LGA** – Local Government Authority

**Lord Young's Review** – report on small firms from 2010 to 2015. Please click on link to view <https://www.gov.uk/government/publications/common-sense-common-safety-a-report-by-lord-young-of-graffham>

**PCR15** – Procurement Contract Regulations 2015

**Procurement** - It is the whole process of acquisition from third parties and covers goods, services and works projects. This process spans the whole life-cycle from the initial concept and definition of business need through to the end of the useful life of an asset or end of service contract and is generally covered by EU procurement regulations.

**SV** – Social Value

**Third Sector** - also called (Voluntary Community and Social Enterprise (VCSE)) **non-governmental**, non-statutory organisations with cultural, social and environmental objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives, mutuals and housing associations.

**Value for Money** – is delivering the right outcomes for citizens with less resource, by delivering services in a different way.

**Voluntary Community and Social Enterprise (VCSE)** - non-governmental, non-statutory organisations with cultural, social and environmental objectives. It includes voluntary and community organisations, charities, social enterprises, cooperatives, mutuals and housing associations.

**West Midlands Engine** - an engine for growth for the UK economy. Please click on link for more information [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/482247/midlands-engine-for-growth.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482247/midlands-engine-for-growth.pdf)

**WMCA** – West Midlands Combined Authority. Click on link to view <https://www.wmca.org.uk/>



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>Cabinet</b>
<b>Report of:</b>	<b>Interim Corporate Director for Adult Social Care and Health</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>RESOURCE ALLOCATION SYSTEM</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 02820/2016</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Member(s)</b>	<b>Councillor Paulette Hamilton - Health &amp; Social Care</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor John Cotton – Health, Wellbeing and the Environment</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 A Personal Budget is the mechanism that, in conjunction with the care and support plan enables an individual to understand and to exercise greater choice and control over how their care and support needs are met. The Council's previous method for calculating these budgets was a formulaic Resource Allocation System which in hindsight is felt to lack transparency. Following a series of engagements with citizens, a proposal is made for a ready-reckoner model - a Personal Budget Calculator.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:-</p> <p>2.1 Approve the introduction of the Personal Budget Calculator as set out in paragraph 5.5 of this report.</p>

<b>Lead Contact Officer(s):</b>	Tapsham Pattni Assistant Director – ASP Workforce
<b>Telephone No:</b> <b>E-mail address:</b>	0121 303 5975 <a href="mailto:tapsham.pattni@birmingham.gov.uk">tapsham.pattni@birmingham.gov.uk</a>

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>Legal &amp; Governance Department, City Finance and the Directorate for Adult Social Care &amp; Health Leadership Team have been involved in the preparation of this report. In addition, briefing meetings have been held with social work staff informing them of the reasons the Resource Allocation System was changing and the implementation of the new processes.</p> <p>3.2 <u>External</u></p> <p>There were 4 public meetings where Birmingham Citizens were invited to attend and discuss the proposal. The feedback from the engagement is detailed in Appendix 2.</p>
<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>This report supports the Vision and Forward Plan, as agreed by Cabinet on May 16<sup>th</sup> 2017: Health – A great place to grow old in. Help people become healthier and more independent with measurable improvement in physical activity and mental wellbeing.</p> <p>4.2 <u>Financial Implications</u></p> <p>The proposed model is used to calculate an indicative budget for individuals who have been assessed as having eligible need for care and support. The rates used in the model are consistent with amounts currently paid and is therefore cost neutral to the authority.</p> <p>4.3 <u>Legal Implications</u></p> <p>The Care Act 2014 together with associated delegated legislation and statutory guidance sets out the powers and the duty to meet assessed eligible need for care and support.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>The intention of the system is that people understand how their Personal Budget is calculated and that the process is as transparent and simple as it can be. The Equality Impact assessment (Appendix 1) did not identify any adverse impacts.</p>
<b>5. Relevant background/chronology of key events:</b>
<p>5.1 A Personal Budget is the mechanism that, in conjunction with the care and support plan enables an individual to understand and to exercise greater choice and control over how their care and support needs are met. The Care Act 2014 placed personal budgets into law for the first time.</p> <p>5.2 In order to ensure that citizens understand and can fully engage in the care planning process the Care Act 2014 requires that the process used to allocate a personal budget is:</p>

- 1) Transparent - the method by which the indicative personal budget figure has been arrived at can be easily understood by the citizen and any professional involved.
- 2) Timely – it should be readily available at the end of the assessment stage so that it can inform the upcoming support planning discussions.
- 3) Sufficient – the indicative personal budget generated needs to be adequate to purchase the appropriate support to meet the eligible care and support needs identified by the assessment.

5.3 In compliance with the Care Act 2014, the system proposed means that individuals will:

- know, before care and support planning begins, an estimate of how much money will be available to meet a person's assessed eligible needs;
- have clear information about the total amount of the budget, including proportion the local authority will pay, and what amount (if any) the person will pay;
- be able to choose from a range of options for how the money is managed (direct payments, managed budget by the local authority; individual service fund, or a combination of these approaches); and
- have greater choice and control over the way the personal budget is used to purchase care and support, and from whom.

5.4 The system used in Birmingham before the Care Act came into force was an algorithm approach and was subsequently thought by many to lack transparency. In hindsight it is apparent that rigid or formulaic Resource Allocation Systems may not function adequately for all client groups, especially where people have multiple complex needs, or where needs are comparatively costly to meet.

5.5 The system now proposed is that of a 'Personal Budget Calculator'.

Following the conclusion of the adult social care assessment, the individual and their social care worker will discuss and agree how many hours per week will be needed to meet their needs and consequently an initial 'indicative' personal budget amount is arrived at. The individual and the social care worker will agree the best way to meet their eligible care needs (e.g. purchased services or a direct payment) using the 'indicative' personal budget amount as a rough guideline.

The 'indicative' personal budget is an amount determined by the number of hours required multiplied by a standard hourly amount for home support services. It is further proposed that the hourly rates used in the Personal Budget Calculator to set new indicative personal budgets are reviewed every six months to ensure the rates are reflective of the market. As at 1<sup>st</sup> April 2017, the hourly rate for purchased services is £13.35 per hour, while the rate for Direct Payments is £10.96 per hour. It should be noted that the above rates are consistent with amounts paid currently so is cost neutral to the Local Authority.

A consultation upon the Adult Social Care Framework has recently closed. It may propose a move to fixed fees and if so, the above proposal for periodic reviews may need to be amended or withdrawn.

- 5.6 If an individual's needs and outcomes required cannot be purchased within their indicative personal budget, it will be assumed that the sum calculated is too low. The social care worker will be required to use their professional judgement to 'moderate' the indicative personal budget to a higher amount, so that needs and outcomes can be met appropriately. This might most commonly be the requirement when the individual requires residential care.
- Likewise, if needs and outcomes can be purchased for a lesser amount then the social care worker is required to use their professional judgement to 'moderate' the indicative budget to a lower amount.
- The Final Personal Budget or Resource Allocation is confirmed when their care and support plan has been finalised and the actual costs of the care and support they receive are concrete and established.
- 5.7 Birmingham City Council has a charging policy for community services, in addition to the requirement for residential care. During the assessment and support planning process, the Client Financial Services Team will work with the individual or their representative to complete a financial assessment. This will inform the individual of how much they are required to contribute towards their personal budget. Where possible, this will be completed before the personal budget is finalised, however, the Department of Health recognises that this is not always possible. In such cases, the citizen will be informed as soon as possible and arrangements made for them to pay their contribution to the Council and this will be backdated to the start of funding for the care and support.
- 5.8 People who care for another person are entitled to a 'Carers Assessment' and if they are deemed as eligible for care and support would be entitled to a Personal Budget Allocation and subject to the same process.

## **6. Evaluation of alternative option(s):**

- 6.1 There are many methods used to arrive at personal budget amounts throughout England, ranging from complex algorithmic-based resource allocation systems (RAS), to more 'ready-reckoner' approaches.
- The system used in Birmingham before the Care Act came into force was an algorithm approach and thought by many to be not in keeping with the Care Act as it was not felt to be transparent. The approach recommended is a 'ready reckoner' model informed by assessment and professional practice and meets the criteria stipulated in the Care Act i.e. transparent; timely and sufficient.

## **7. Reasons for Decision(s):**

- 7.1 This report seeks to introduce a Personal Budget Calculator methodology to calculating indicative personal budgets to comply with the Care Act 2014's requirements for such a system to be transparent, timely and sufficient.

Signatures	<u>Date</u>
Cllr Paulette Hamilton Cabinet Member for Health & Social Care	.....
Graeme Betts Interim Corporate Director Adult Social Care & Health	.....

List of Background Documents used to compile this Report:
Care Act 2014 Care and Support Statutory Guidance (Updated 28 <sup>th</sup> June 2017 Workbook on Personal Budgets, Skills for Care
List of Appendices accompanying this Report (if any):
1. Equality Assessment 2. Engagement findings

<b>Report Version</b>	<b>v11</b>	<b>Dated</b>	<b>10/07/17</b>
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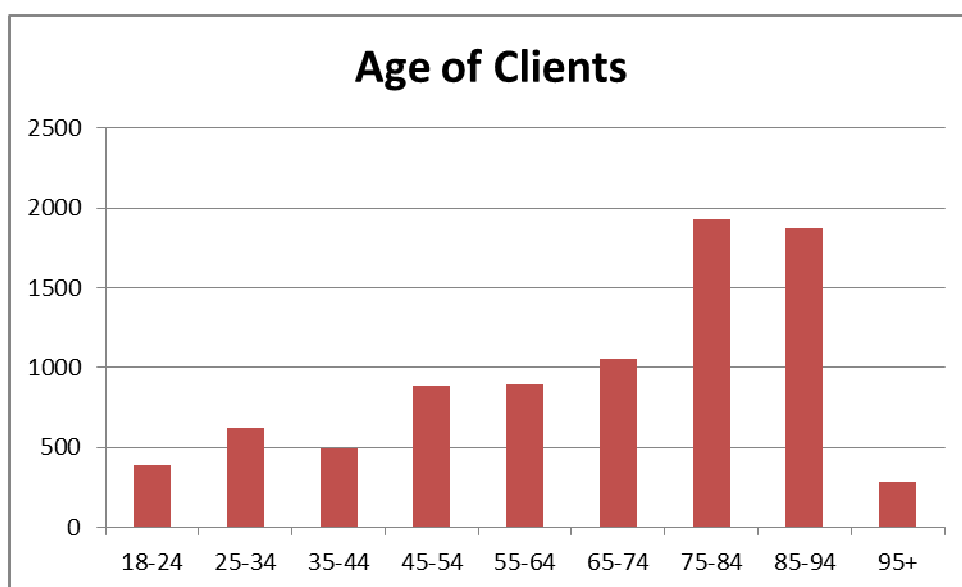
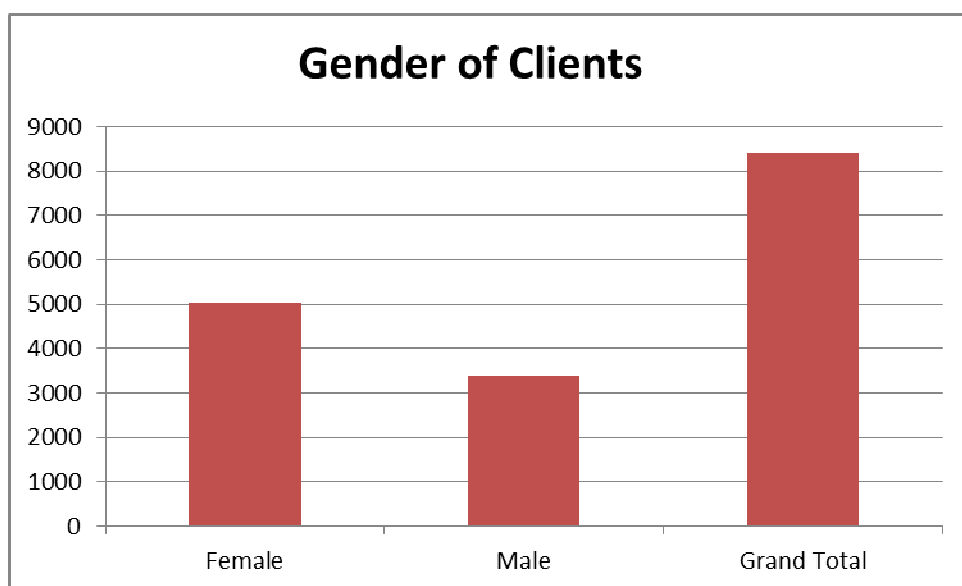


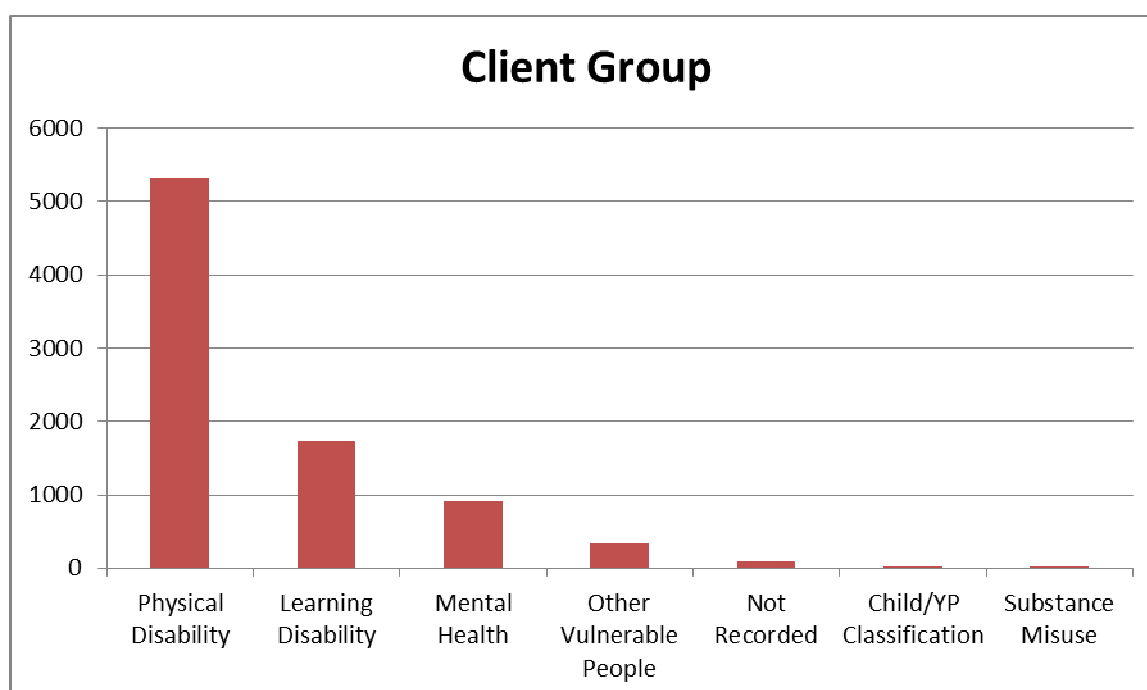
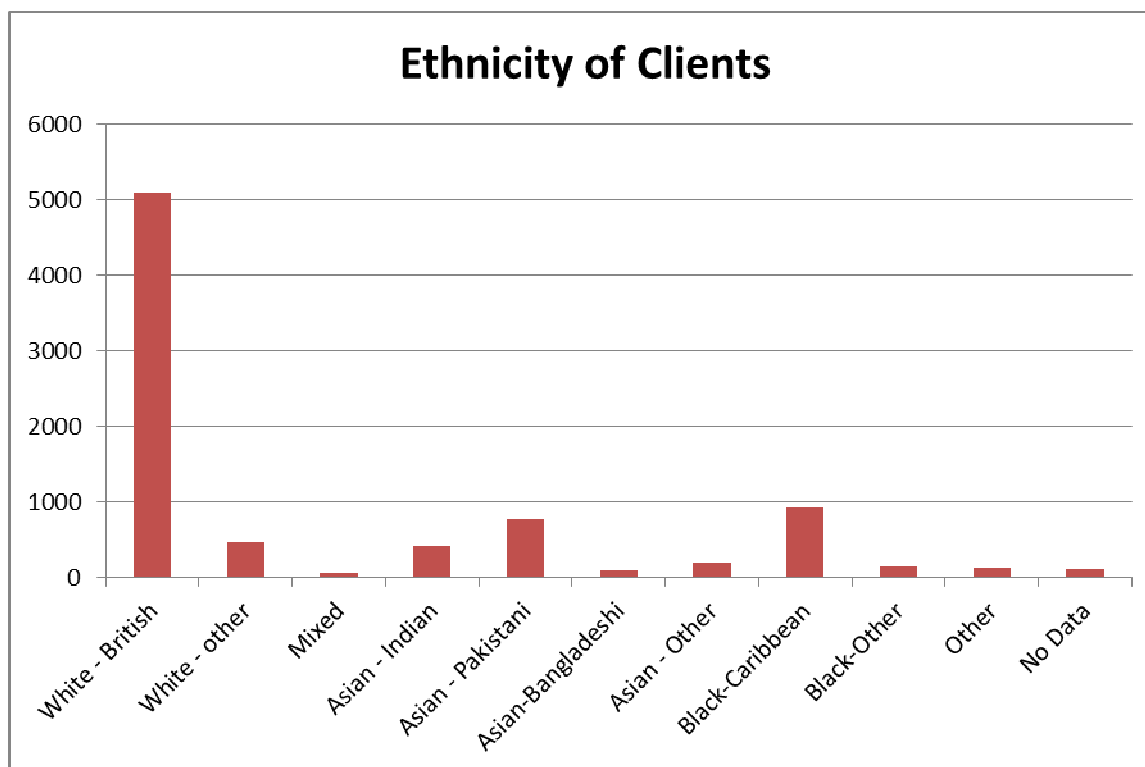
**Citizen Engagement**

In total there were 4 public sessions where Birmingham Citizens were invited to attend and discuss the issues pertinent to themselves or representing others. These sessions were led by Carl Griffiths as the Assistant Director for Assessment and Support Planning.

In addition to the public sessions every person on CareFirst was notified by letter of the information and invited to the public sessions or invited to discuss with their social workers. This was approximately 8000 people and resulted in 146 telephone calls where citizens were given the opportunity to discuss the information they had received and again encouraged to attend the public sessions.

In terms of demographic representation the following charts demonstrate who the letters would have reached:





The first session was held on the 16<sup>th</sup> May 2016; the second on the 12<sup>th</sup> July 2016; the third on the 19<sup>th</sup> July 2016 and a final session on the 27<sup>th</sup> September 2016 at Fairway Day centre. A total number of 56 people attended.

Below is a summary of the responses to the presentation. It is fair to say that many of the responses did not relate to the presentation or process but more about the Direct Payment Rate and comments on social care; it is also worth commenting that people were attending as carers and clients and therefore the discussion was wide ranging and varied. Below is a summary of the questions asked and a summary of the answer provided:

<b>Comment/Question/Response</b>
<b>Do social workers need to meet with the Agency to negotiate care costs?</b> Not if the care needs can be met out of the existing costs of £10.96.
<b>What is the timescale for implementation?</b> This is to be determined by responses to these engagement sessions but we would implement in shadow form as soon as possible as a system has to be in place.
<b>What will we do about personal specialist care?</b> More will be said on this later but there is a slide that covers it.
<b>Will specialist care agencies go through a special moderation process?</b> The whole process is dependent on a moderation process which is in-built. Some care packages will require this - some will not.
<b>We need to be very clear how social workers are going to implement this. The do's and don'ts and key facts. Training will be needed for teams.</b> Agreed, and this will happen.
<b>How do social workers approach service users?</b> Nothing in this regard should change; social workers will need to review and assess as they always have done; this is about the process and having a clear conversation with service users about their individual needs.
<b>Can you push service users in the direction of adopting Direct Payments?</b> We can suggest it if the social work professional thinks it in the best interest of the service user, however it is a fine-line legal position, and service users cannot be forced to take this up.
<b>Will there be one set rate for personal budgets?</b> There will be one rate - £10.96 - for service users who are at home, and a further flat rate of £12.60 for commissioned care.
<b>Where does the £10.96 Personal Budget rate originate from?</b> The rate of 10.96 has been used in Birmingham for some time. Recently KPMG completed work in Birmingham that verified that this rate was more than adequate to cover the typical/average cost of buying a PA.
<b>With the Direct Payments Card proposals and the Commissioning Personal Budget rates, will the two rates be compatible?</b> Yes, this is the case
<b>Will we be using the "Mid-Point" on Sprocket to calculate additional on-going costs?</b> Yes, the Mid Point will be used for calculating on-going costs.
<b>Will there be a fact sheet on Personal Budgets for social work and support staff?</b> Yes, we will aim to produce a fact sheet that sets out clearly the new procedures.

<p><b>Are the updated hourly rates now uploaded correctly to Sprocnet?</b> Yes, the rates will be correct on Sprocnet by the time of the new system launch. At the moment though, they are roughly indicative figures.</p>
<p><b>What are the ranges of rates to choose from, for example residential and additional costs? Will these take account of on-going support costs?</b> A whole package and menu of rates need to be set up. Commissioning are currently working on these menu of costs and trying to match them against estimated on-going support costs.</p>
<p><b>Will Direct Payments support agency costs be included in the calculations?</b> Yes, this will be part of the Assessment process.</p>
<p><b>If a service user were to need two carers or more, how would we calculate the charges for this?</b> This must be identified in the assessment; however the overall costs would generally be expected to be met.</p>
<p><b>Will the indicative amount be part of the support plan?</b> It will be included but we are at the moment not sure whether it will be in the Support Plan or in a letter. The important issue is that the client or citizen or carer will be informed so they are able to plan their care.</p>
<p><b>Will the Eligibility Criteria be assessed following the assessments?</b> Yes</p>
<p><b>Why hold this event now?</b> So that we discuss and have the debate about how personal budgets are developed and calculated.</p>
<p><b>This event was late advertised. No use.</b> We apologise if the letters arrived late but we hope that now you are here it will be of some use.</p>
<p><b>Why re-assess people before a decision has been made?</b> We have a duty to review and re-assess people when certain circumstances or conditions change. We do not make decisions before an assessment and decisions about peoples care should be based on the assessment.</p>
<p><b>Will you re-assess everybody?</b> Only as they require or need it</p>
<p><b>Who will take responsibility for re-assessments?</b> The responsibility is a joint one. If a person does not engage in the assessment then it is difficult to make a decision or arrive at a personal budget or know whether people are eligible for services.</p>
<p><b>Can you ensure we will know what our personal budgets are in relation to the top-up figure we will have to pay ourselves for extra services?</b> To some extent the whole point of the process is to keep you informed of the cost so citizens can make informed choices regarding their care.</p>
<p><b>Is £10.96 inclusive of tax and national insurance?</b> The figure has been calculated with these costs included</p>
<p><b>Is £10.96 enough to pay all likely costs of a carer, for example their travel expenses?</b></p>

This will depend on all sorts of factors and how they are employed.
<b>Can a DP recipient employ a family member as a PA who also lives at their property?</b> In exceptional circumstances only
<b>What if we wish to ask for independent support other than advocacy when a review or a re-assessment is completed - I do not trust the social work processes.</b>  That is your personal choice
<b>What is the difference between review and assessment?</b>  This is a contentious issue and one that needs a full discussion – at times it is difficult to draw a distinction. At other times they are very different – we would need to talk about specific examples or experiences.
<b>Isn't this whole process a waste of money?</b> No and even if it was we have to account for the public purse there are people who abuse the system.

As well as questions there were a lot of statements that were recorded:

- There are a lot of anomalies in the presentation.
- Carers have a right to care or not to care.
- Figures quoted really frighten me (for care hourly rates). The real world is we cannot get people for £13 per hour to the required standard for complex care delivery.
- It feels like the care rates quoted will be an infringement of human rights.
- We need some consistency in your department please. A social worker came out and told me she was leaving the job. We then had new faces telling us new things. With constant changes we can't keep up with it. Respect and dignity for us is needed.
- I have one concern. I have a different social worker now. I absolutely need consistency. I only ever get to speak to mine over the phone and face-to-face would be nice.
- If, I as a carer have got lasting power of attorney, then I don't think the social worker should interview the 'client' without me present as questions can be intrusive and frightening for the service user.
- This is purely down to government policies of cutbacks.
- Citizens are experts by experience and we should be treated as such.
- Some service users don't know how to spend wisely. My grandson does not understand good control of money. Therefore giving direct payments to him is dangerous.



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Interim Corporate Director Adult Social Care &amp; Health</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>IMPROVED BETTER CARE FUND (IBCF) – PROVISIONAL SPENDING PLANS FOR 2017/18</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003917/2017</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Member</b>	<b>Cllr Paulette Hamilton - Health and Social Care</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr John Cotton - Health, Wellbeing and the Environment</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To inform Cabinet of the spending proposals for the improved Better Care Fund (iBCF) for 2017/18 to meet national conditions associated with the Section 31 Grant. This additional funding is to be used by Adult Social Care for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready, and stabilising the social care provider market.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:-</p> <p>2.1 Authorise the Interim Corporate Director Adult Social Care &amp; Health to incur spend up to £27.06m of iBCF resources in line with approvals from the Health &amp; Wellbeing Board and as detailed in Appendix 1.</p> <p>2.2 Notes that spend will be incurred through either existing approved contracts or under new contractual arrangements that will be procured in accordance with Procurement Governance Arrangements.</p> <p>2.3 Authorises the City Solicitor to negotiate, execute and complete all necessary agreements and documentation to give effect to the above recommendations.</p>

<b>Lead Contact Officer(s):</b>	Margaret Ashton-Gray Head of Finance – Adult Care and Health
<b>Telephone No:</b> <b>E-mail address:</b>	0121 675 8717 <a href="mailto:Margaret.Ashton-Gray@birmingham.gov.uk">Margaret.Ashton-Gray@birmingham.gov.uk</a>

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>Legal &amp; Governance Department, City Finance and the Senior Management Team for the Adult Social Care &amp; Health Directorate have been involved in the preparation of this report.</p> <p>3.2 <u>External</u></p> <p>The spending plans have been discussed with Health partners including the BCF Commissioning Board, The Sustainability and Transformation Partnership (STP) Board and the Urgent Care Board. The spending proposals have been agreed by the Health &amp; Wellbeing Board on the 4<sup>th</sup> July 2017.</p>
<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The proposed spend supports the Vision and Forward Plan priority of 'Health – A great place to grow old in' by helping people to become healthier and more independent with measurable improvement in physical activity and mental wellbeing.</p> <p>4.2 <u>Financial Implications</u></p> <p>The Council's Adult Social Care &amp; Health Directorate has been awarded additional Improved Better Care Fund Grant (iBCF2) of £27.06m for the financial year 2017/18. Proposals agreed by the Health and Wellbeing Board for expending these resources are contained in Appendix 1 and will be monitored by the CQC. Future years spending proposals will be the subject of further reports.</p> <p>4.3 <u>Legal Implications</u></p> <p>The relevant legal powers are contained in the Care Act 2014 together with associated legislation and guidance relating to section 31 grants awarded to the Local Authority.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>An initial Equality Analysis has been undertaken to support this decision (Appendix 2), which does not identify any significant adverse impacts.</p>
<b>5. Relevant background/chronology of key events:</b>
<p>5.1 In the Spring budget of the financial year 2016/17 the Government announced additional funding for Adult Social Care of £2.0bn nationally. This tapering fund is payable over three years commencing in 2017/18. Birmingham City Council received funding of £27.064m in 2017/18, £16.059m in 2018/19, and £7.932m in 2019/20. The funding is payable to the authority as a Section 31 Grant under the Local Government Act of 2003. These resources are over and above those funds generated by the 3% Adult Social Care precept collected as part of Council Tax.</p>



5.2	Conditions were issued with the announcement of the Section 31 grant, which includes a requirement that it is paid into the BCF pooled fund which Birmingham City Council host on behalf of the Better Care Fund integrated partnership working between ourselves and our NHS Clinical Commissioning Group (CCG) partners. The additional funding is to be used by Adult Social Care for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market. The spending of this grant has to have the expected impact at the care front line, and this will be monitored by the Care Quality Commission (CQC).
5.3	The Governance arrangements pertaining to the BCF require that each contribution into the pool is defined as being in sole control of either the NHS or the Local Authority or joint control. As this funding is received as a Section 31 Grant, control over spend resides with the City Council.
5.4	The spend plans for the iBCF have been discussed with NHS partners, the decisions on spend have been approved and ratified at the Health & Wellbeing Board on the 4 <sup>th</sup> July 2017.
5.5	A briefing paper on the proposed spend (please see attached Appendix 1) has also been discussed with the BCF Commissioning Executive Board, The STP Board and the Urgent Care Board.
5.6	The briefing paper includes proposals to <ul style="list-style-type: none"> <li>• Stabilise the current Adult Social Care position</li> <li>• Accelerate current proposals</li> <li>• Transform the ways partners undertake their roles in the Care &amp; Health system specifically around the reduction in Delayed transfers of Care</li> </ul>
5.7	These resources will be spent through either existing approved contracts or under new contractual arrangements that will be procured in accordance with Procurement Governance Arrangements.

<b>6.</b>	<b>Evaluation of alternative option(s):</b>
6.1	The guidance requires Birmingham City Council (Adult Social Care & Health) to use the funding for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready, and stabilising the social care provider market. The proposals put forward meet these spending requirements. It is a requirement that this funding is part of the Better Care Fund pooled arrangements.

<b>7.</b>	<b>Reasons for Decision(s):</b>
7.1	To inform Cabinet of the spending proposals for the iBCF funding for 2017/18 to meet national conditions associated with the Section 31 Grant.

Signatures	Date
Councillor Paulette Hamilton Cabinet Member for Health and Social Care .....	
Graeme Betts Interim Corporate Director Adult Social Care & Health .....	

List of Background Documents used to compile this Report:
Section 31 Grant notification from Government

List of Appendices accompanying this Report (if any):
1. Briefing Note re iBCF2 spending plans for 2017/18
2. Initial Equality Assessment

Report Version	v1.7	Dated	12/07/2017
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## Improved Better Care Fund (iBCF): Birmingham Proposals June 2017



### 1. Introduction

- 1.1. Through the 2017 Spring budget a significant amount of additional non-recurrent funding was made available to Councils in order to support adult social care over three years. For Birmingham, this represents £27m in 2017/18, £16m in 2018/19 and £8m in 2019/20.
- 1.2. This additional funding is the start of the national response to a widely acknowledged crisis in social care and is recognised as being only a partial and short term 'fix' for sustained funding cuts. The funds are to be combined with the existing BCF commitment (See table 1) which, taken together, now represents the Improved Better Care Fund (iBCF).

**Table 1. Improved Better Care resource for Birmingham**

	2017/18	2018/19	2019/20
BCF Commitment (Better Care Grant)	£6.7m	£31.3m	£52.4m
Spring Budget 2017	£27.0m	£16.0m	£7.9m

- 1.3. The iBCF provides an opportunity to bring some much needed stability across the Health and Social Care system in Birmingham, creating a firm platform for transformation which will focus on improving the health and wellbeing of the city's adults and older people.
- 1.4. This paper outlines proposals for the allocation of this resource that will deliver improved outcomes for citizens; help to alleviate key system pressures and also compliment/add value to current plans.

### 2. Background

- 2.1. The additional funding is significantly different to the initial Better Care Fund (BCF). This is because when the initial BCF was introduced in 2015/16 it comprised largely of redirected resource from existing NHS budgets. The Kings Fund described the initial approach as 'robbing Peter to pay Paul'<sup>1</sup>, citing the arrangement as a principle cause of tension in partnership arrangements at local level between the NHS and Local Authorities<sup>2</sup> rather than the intended purpose of promoting partnership and integration.
- 2.2. The iBCF sets a different tone, and whilst the planning guidance is yet to be confirmed, the associated policy framework for the iBCF<sup>3</sup> does help create better conditions for the promotion of partnership working and integration. The policy framework outlines intended use of the iBCF across three priority areas;
  - to meet adult social care need,
  - to provide support to the NHS (especially through application of the 8 High Impact Changes),

<sup>1</sup> What now for social care. Kinds Fund, December 2016. <https://www.kingsfund.org.uk/blog/2016/12/what-now-social-care>

<sup>2</sup> Allocating social care funds: difficult decisions ahead, Kings Fund, April 2017 <https://www.kingsfund.org.uk/blog/2017/04/allocating-social-care-funds>

<sup>3</sup> Integration and Better Care Fund Policy Framework 2017 to 2019 <https://www.gov.uk/government/publications/integration-and-better-care-fund-policy-framework-2017-to-2019>

- and to sustain the social care provider market.

**2.3.** The iBCF still remains as one of the mandatory national policies for the integration of health and social care and this will need to be reflected in decision-making processes, although the decision making relating to the iBCF is no longer subject to the NHS assurance arrangements for the main BCF.

### 3. Our approach

- 3.1. Similar to other areas of the country, the initial BCF programme has not had the impact that was initially hoped for. The reasons were well documented.<sup>3,4</sup> These reasons seem to have been heard nationally with the iBCF having added flexibility to the conditions for its use. This offers an opportunity to consider and tackle the broader influences on the outcomes we are trying to improve. For example, considering prevention and early intervention and helping local communities to flourish.
- 3.2. In addition, the iBCF has been introduced at a time of significant change within the NHS with the introduction of Sustainability and Transformation Partnerships and consideration of an ‘accountable care approach’. The iBCF is set within this context and provides additional opportunity to ensure that the stabilisation and transformation is at a system level.
- 3.3. We also know where improvements at a population and system level need to be made. For example, the quality and outcomes of Birmingham’s Adult Social Care system (which reflects how health, social care and wider support is joined up) is poor. Birmingham is ranked in the bottom 3% in the country and has been for over 5 years. Progress made against key contributory indicators such as the reducing rates of emergency admissions and reducing Delayed Transfers of Care (DTOC) have not matched expectation; too many citizens still lose their independence and live in residential/nursing settings and the quality of care provided in those settings varies; the quality of care and support in the community again varies too much; and those families, friends and communities that care for those who need support often need better support themselves.
- 3.4. We are therefore proposing to refresh our approach through the iBCF to ensure the maximum improvements in outcomes are achieved for the people of Birmingham; and to get best value for ‘the Birmingham £’. To achieve this, the iBCF governance will be reviewed to ensure a single voice and a unified strategic commissioning approach as a platform for stabilising the current system and fostering a joint approach to transforming the current adult health and social care system in Birmingham.

## 4 Focus on Outcomes

- 4.1. Our ambition is to ensure all Birmingham citizens live a good quality life. We will contribute to this by enabling citizens to live independently, and contribute to their community for as long as possible, and, if citizens need care and support to do so, we will ensure it is of high quality, and their experience of the Birmingham health and social care system is good.

<sup>4</sup> Public Account Committee <https://www.parliament.uk/business/committees/committees-a-z/commons-select/public-accounts-committee/news-parliament-2015/integrating-health-social-care-report-published-16-17/>

- 4.2. The ambition fits with the initial collective vision of the Birmingham BCF which was developed with the Experts By Experience - based around the 'Think Local, Act Personal' initiative:

By 2019 in Birmingham we will have integrated health and social care so that:

- The most vulnerable people are identified and supported to improve their health and wellbeing
- We improve the resilience of our health and care system
- We manage crises better only utilising hospitals and long term residential care when needed
- We support people to stay in control and at home for as long as possible
- We support people to effectively manage their conditions themselves but easily get help when they need it
- We support people to remain as active members of their communities for as long as possible
- We support communities to help their members to be healthy and well for as long as possible

- 4.3. Improvements in key health and wellbeing outcomes for adults and older people will provide the evidence that we are achieving our ambition. These outcomes are well established and are outlined in three key documents; Public Health Outcomes Framework<sup>5</sup> (in particular the Healthcare Public Health section), the NHS Outcomes Framework<sup>6</sup> and The Adult Social Care Outcomes Framework (ASCOF).

- 4.4. To keep a focus on the outcomes, we will put in place a performance framework which will ensure clear links between proposals for each of the three iBCF priority areas, the actions undertaken and the impact on outcomes .

- 4.5. The iBCF proposals for Birmingham are outlined below in Table 2.

**Table 2. Initial proposals for the application of iBCF in Birmingham**

Area 1: To meet adult social care need		
Proposal	Rationale	Indicative Investment 17/18 (£m)
<ul style="list-style-type: none"> <li>• Support communities and community based organisations to develop offers that support diversion and avoidance from social care services.</li> </ul>	<ul style="list-style-type: none"> <li>• Represents a focused commitment to preventing and delaying need</li> <li>• Supports the revised 'offer' and approach to an asset based model.</li> <li>• Also linked to draft BCC Commissioning Strategy for Adult Social Care.</li> </ul>	£8.85m (32.8%)
<ul style="list-style-type: none"> <li>• Policy decision to channel shift all Carers assessments to community based Carers Hub, with associated support embedded within communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Focusing on support being provided through the community, by the community.</li> <li>• Assessments will be undertaken through the 3<sup>rd</sup> sector with appropriate governance and safeguarding arrangements.</li> <li>• Reduced reliance on social workers/ACAP to undertake assessments</li> </ul>	

<sup>5</sup> Public Health Outcomes Framework <http://www.phoutcomes.info/>

<sup>6</sup> NHS Outcomes Framework indicators - Feb 2017 release <https://www.gov.uk/government/statistics/nhs-outcomes-framework-indicators-feb-2017-release>

<ul style="list-style-type: none"> <li>Develop a more citizen centred approach to social work which develops the community model and alleviates some of the pressure in the health economy</li> </ul>	<ul style="list-style-type: none"> <li>Creating support networks within communities</li> <li>Reduces demand and increasing the use of community, family and individual resilience.</li> </ul>	
<ul style="list-style-type: none"> <li>Reconfiguration of enablement services that focus on those with the greatest reablement potential and align care pathways for both community and out of hospital care</li> </ul>	<ul style="list-style-type: none"> <li>Would align to revised out of hospital pathways, support DTOC and reducing demand for ASC</li> <li>Reprofile current savings to allow transformation across the wider system on a targeted basis.</li> </ul>	

**Area 2: To provide support to the NHS (especially through application of the 8 High Impact Changes)**

Proposal	Rationale	Indicative Investment 17/18 (£m)
<ul style="list-style-type: none"> <li>Review of hospital social worker allocation to ensure sufficient resource is available to meet demand.</li> </ul>	<ul style="list-style-type: none"> <li>Supports better patient flows through the system</li> <li>Will provide great link with community development model of social care</li> <li>Bridged funding gap in current provision</li> </ul>	£9.10m (33.7%)
<ul style="list-style-type: none"> <li>Review effectiveness, impact and scalability of the current Home from Hospital commissioned service as part of wider system</li> </ul>	<ul style="list-style-type: none"> <li>Supports earlier discharge from hospital</li> <li>Provides lower end support to help people settle back at home after a hospital stay.</li> <li>Potential to scale up (through an agreed commissioned process) across the city</li> </ul>	
<ul style="list-style-type: none"> <li>Fund existing EAB funding gap to ensure current EAB levels are maintained sustained in the short term to enable longer term view</li> </ul>	<ul style="list-style-type: none"> <li>Provides system stability and a commitment to review</li> <li>This would allow the necessary transformation to take place in the out of hospital pathways whilst maintaining current capacity.</li> </ul>	
<ul style="list-style-type: none"> <li>Develop a model of trusted assessors with providers to allow single assessment to take place</li> </ul>	<ul style="list-style-type: none"> <li>Channel shift and reduce pressure on social work service.</li> <li>Potentially efficiencies across health, social care and independent provider market with single assessment, speed of discharge and placement.</li> </ul>	
<ul style="list-style-type: none"> <li>Develop and implement a permanent integrated 7-day social work, brokerage and Emergency Duty Team (EDT)</li> </ul>	<ul style="list-style-type: none"> <li>Support DTOC, Discharge Hubs provide sustainable cover for evenings and weekend services for the vulnerable in our society</li> <li>Existing business case has already been developed for social work elements but would need to be reviewed to include the cost of brokerage and EDT services.</li> </ul>	
<ul style="list-style-type: none"> <li>Development of a structure for Adult Social Care that places social workers and OTs at the 'front door' of acute settings to support diversion from hospital</li> </ul>	<ul style="list-style-type: none"> <li>the ADAPT model has successfully been rolled out at one of the acute providers and had diverted demand so is seen as a proven solution</li> <li>There is already an evidence base for this developing at City Hospital</li> </ul>	

<ul style="list-style-type: none"> <li>Consider hospital social work support extending to cover under 65's in relevant hospital settings</li> </ul>	<ul style="list-style-type: none"> <li>an invest to save type model, as investment in the Shared Lives services will result in savings in the long term</li> <li>This has some link to Transforming Care programme (TCP)</li> </ul>	
<ul style="list-style-type: none"> <li>Supporting system change / diagnostic (Newton)</li> </ul>	<ul style="list-style-type: none"> <li>Review of Out of Hospital system to inform transformation and improvement</li> </ul>	

### Area 3: To sustain the social care provider market.

Proposal	Rationale	Indicative Investment 17/18 (£m)
<ul style="list-style-type: none"> <li>Accelerate and bring forward the implementation of the new adult social care framework</li> </ul>	<ul style="list-style-type: none"> <li>Greater stability to the market</li> <li>Better quality of services provided for citizens</li> <li>Reduced variation in quality</li> <li>Better value for Birmingham £</li> <li>Attracts quality providers to work with Birmingham</li> </ul>	£9.05m (33.5%)
<ul style="list-style-type: none"> <li>Commission an 'Experts by experience/ peer review' function to assist targeted monitoring of quality and safeguarding issues in the care sector.</li> </ul>	<ul style="list-style-type: none"> <li>Supports an increased focus on quality and outcomes</li> <li>Greater transparency</li> <li>Increased safeguarding</li> </ul>	
<ul style="list-style-type: none"> <li>Additional staff capacity to deliver the required changes at increased pace</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure costs to implement the changes required in the form of additional capacity</li> </ul>	
<ul style="list-style-type: none"> <li>Agree to pay 1 year of CQC registration fees for Gold rated care providers</li> </ul>	<ul style="list-style-type: none"> <li>Incentivises high quality care provision and clear commitment from BCC about care quality</li> <li>will assist in driving up quality</li> </ul>	
<ul style="list-style-type: none"> <li>Purchase additional capacity in the care market</li> </ul>	<ul style="list-style-type: none"> <li>Aligns to new out of hospital pathways, would enable commissioning of long term nursing dementia capacity which is linked to over 53% of DTOC at present.</li> </ul>	
<ul style="list-style-type: none"> <li>Accelerate the uptake take up Integrated Personal Commissioning (IPC)</li> </ul>	<ul style="list-style-type: none"> <li>Increase and accelerate the current IPC programme (Mental Health and LD)</li> <li>Initiate frailty and children's disability workstream.</li> <li>Potential impact upon urgent care as well as long term care.</li> </ul>	

## 5 Next Steps

- 5.1. The proposals outlined will be further developed jointly with our partners via the refreshed BCF Commissioning Executive, and shared with key partners and forums for comment and endorsement. Final sign off will be through the Birmingham Health & Wellbeing Board.
- 5.2. Detailed delivery plans will be developed to support the expectation of delivery and spend in year. These will be undertaken jointly where relevant.







# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Improved Better Care Fund (i BCF) - Provisional Spending Plans For 2017/18
<b>Directorate</b>	People
<b>Service Area</b>	Adults - Health & Wellbeing Partnership
<b>Type</b>	New/Proposed Function
<b>EA Summary</b>	In the Spring budget of the financial year 2016/17. Government announced additional funding for Adult Social Care of £2.0bn nationally. This tapering fund is payable over three years commencing in 2017/18 .  For Birmingham City Council this means funding of £27.064m in 2017/18.
<b>Reference Number</b>	EA002204
<b>Task Group Manager</b>	charles.ashton-gray@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Senior Officer</b>	john.denley@birmingham.gov.uk
<b>Quality Control Officer</b>	peopleequalitycontrol@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Function.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### What is the purpose of this Function and expected outcomes?

This additional funding is to be used by Adult Social Care for the purposes of meeting adult social care needs, reducing pressures on the NHS - including supporting more people to be discharged from hospital when they are ready - and stabilising the social care provider market. The spending of this grant has to have the expected impact at the care front line, and this will be monitored by the Care Quality Commission (CQC).

Spending plans are agreed and ratified at the Health & Wellbeing Board.

For each strategy, please decide whether it is going to be significantly aided by the Function.

Children: A Safe And Secure City In Which To Learn And Grow	No
Health: Helping People Become More Physically Active And Well	Yes
Housing : To Meet The Needs Of All Current And Future Citizens	No
Jobs And Skills: For An Enterprising, Innovative And Green City	No

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
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#### Comment:

Our ambition is to ensure all Birmingham citizens live a good quality life. We will contribute to this by enabling citizens to live independently, and contribute to their community for as long as possible, and, if citizens need care and support to do so, we will ensure it is of high quality, and their experience of the Birmingham health and social care system is good.

Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Relevant	No
Disability	Relevant	No
Gender	Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Relevant	No
Religion or Belief	Relevant	No
Sexual Orientation	Not Relevant	No

### 2.4 Analysis on Initial Assessment

The report suggests 18 proposals to:

- . Stabilise the current Adult Social Care position
- . Accelerate current proposals
- . Transform the ways we do things as a Care & Health system with partners specifically around the reduction in Delayed transfers of Care

To keep a focus on the outcomes, there will be put in place a performance framework which will ensure clear links between proposals for each of the three IBCF priority areas, the actions undertaken and the impact on outcomes. This will be monitored by the BCF Executive Commissioning Board.

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Concluding Statement on Full Assessment**

At this point these are in insufficient detail to undertake a full analysis, however expected improvements in key health and wellbeing outcomes for adults and older people will provide the evidence that the City is achieving its ambition. These outcomes are well established and are outlined in three key documents; Public Health Outcomes Framework (in particular the Healthcare Public Health section), the NHS Outcomes Framework and The Adult Social Care Outcomes Framework (ASCOF).

### **4 Review Date**

31/07/17

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>Corporate Director for Place</b>	
<b>Date of Decision:</b>	<b>25 July 2017</b>	
<b>SUBJECT:</b>	<b>BIRMINGHAM: A GREAT PLACE TO LIVE</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003753/2017</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b>	<input type="checkbox"/>
	<b>O&amp;S Chairman approved</b>	<input type="checkbox"/>
<b>Relevant Cabinet Member(s)</b>	<b>Cllr Peter Griffiths, Cabinet Member for Housing and Homes</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Victoria Quinn, Housing and Homes</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>1. Purpose of report:</b>
<p>1.1 To seek endorsement for Housing Birmingham's strategy statement – "Birmingham: A Great Place to Live". Birmingham City Council is a member of the Housing Birmingham partnership. The strategy commits the Council to progressing both unilateral and collective actions.</p>

<b>2. Decision(s) recommended:</b>
<p>That the Cabinet:-</p> <p>2.1 Endorse the Housing Birmingham partnership strategy (Appendix 1 &amp; Summary – Appendix 2);</p> <p>2.2 Commit to adopting the approaches outlined in the strategy as the strategic direction for improving housing conditions and truly making Birmingham a great place to live for all citizens;</p> <p>2.3 Commit to working through the Housing Birmingham partnership to deliver the ambitions of the strategy;</p> <p>2.4 Mandate the Cabinet Member for Housing and Homes to further evolve, develop and monitor the implementation of the strategy through the Housing Birmingham partnership.</p>

<b>Lead Contact Officer(s):</b>	Robert James, Service Director, Housing Transformation Place Directorate
<b>Telephone No:</b> <b>E-mail address:</b>	0121 464 7699 Robert.james@birmingham.gov.uk

<b>3.</b>	<b>Consultation</b>
	Consultation should include those that have an interest in the decisions recommended
3.1	<p><u>Internal</u></p> <p>Whilst this is a partnership rather than a BCC document it is recognised that a range of members and officers with the Council have an interest in the content of the strategy. Internal consultation has therefore been undertaken with members of the Housing and Homes Overview and Scrutiny Committee, the Cabinet Member for Clean Streets, Recycling and Environment, Housing Transformation DMT, Economy SMT and Public Health. Input has also been received from commissioning colleagues in Adults and Health Directorate.</p>
3.2	<p><u>External</u></p> <p>The document has been developed through the Housing Birmingham Partnership. Two facilitated strategy development sessions were held with a wide range of stakeholders including registered providers, developers, private landlords, community interest groups, students, health colleagues, elected members and citizens (see Appendix 4). These sessions have helped to inform the priorities of the strategy. In addition the members of the Housing Birmingham partnership board have been consulted on the draft strategy. An extensive public consultation has not been undertaken. The document is intended to be a high level statement of strategic direction that will be underpinned by more detailed proposals, strategies and plans that, by their nature, would require more extensive consultation.</p>
<b>4.</b>	<b>Compliance Issues:</b>
4.1	<p><u>Are the recommended decisions consistent with the Council’s policies, plans and strategies?</u></p> <p>The strategy has been designed to complement the Council’s vision of “Birmingham – a city of growth where every child, citizen and place matters”. Within this vision, “Housing – a great place to live” is identified as one of the four key priorities. This strategy builds upon the vision and provides further analysis and strategic direction for the Housing theme.</p>
4.2	<p><u>Financial Implications</u>  <u>(Will decisions be carried out within existing finance and Resources?)</u></p>
4.2.1	<p>A significant level of investment over the next 10 years will be undertaken by our partners, private developers and other social housing providers in the delivery of the Housing Strategy (this will include the provision of new homes and specialist accommodation for specific groups including young people, students and extra care villages for people). The strategy will also assist the West Midlands Combined Authority to develop Housing Investment Programmes across the region for the future.</p>

4.2.2 With specific regard to the Council, the investment that will be undertaken in the delivery of public and private sector housing is set out in the Financial Plan 2017+ (including the HRA Self Financing Business Plan) that was approved by City Council on the 28<sup>th</sup> February. In particular this includes:

- £445m over the next 10 years in the provision of new social and affordable homes by the Council (estimated at 2,570 new homes);
- £585m over the next 10 years to ensure that the key components of our existing properties are replaced e.g. central heating systems, double glazing, gas boilers, new wiring, external fascias, new kitchens and bathrooms;
- £37m over the next 10 years to provide adaptations in properties to promote independent living;
- £668m over the next 10 years to repair and maintain our properties (including emergency and day to day repairs, empty property repairs, annual gas servicing and internal communal areas).

4.2.3 In addition, the Council will be investing £106m over the next three years to continue our work on our Empty Property Strategy (and to return homes into use), provision of new properties for market rent through our wholly owned company – In-Reach and supporting other programmes of regeneration and housing across the City.

#### 4.3 Legal Implications

There are a number of proposals within the strategy that have clear legal implications – for example the use of fixed-term tenancies. The actual implementation of any proposal contained within the strategy will be subject to legal assurance and the appropriate governance approvals.

#### 4.4 Public Sector Equality Duty

This is a high-level strategy statement. Implementation of specific proposals will be subject to an assessment of the equality impact. As a whole the strategy is intended to have a positive impact upon the housing conditions enjoyed by all citizens. Particular cohorts identified within the strategy are highlighted as facing particular barriers in accessing housing that is suitable for their needs. This includes younger people, people with vulnerabilities and older residents. The strategy is intended to direct the creation or improvement of housing pathways for those cohorts. An Equality Analysis is attached as Appendix 3.

### **5. Relevant background/chronology of key events:**

5.1 Housing Birmingham is a partnership for the City's housing stakeholders. The partnership board comprises representatives from Birmingham City Council, Birmingham Social Housing Partnership, Birmingham Landlords Forum, Health, Homes and Communities Agency and the Third Sector Assembly. In addition to the board the partnership is able to draw upon the expertise of a network of agencies, organisations and groups who have a stake in housing the people of Birmingham.

- 5.2 Housing is one of four key priorities for the Council. The Council's Vision and Forward Plan sets the ambition that Birmingham should be a great place to live for all citizens. This recognises that, at an individual level, access to decent and safe housing is a pre-requisite for good health, well-being, making a positive contribution to the community, educational attainment and for children to fully realise their potential. There is a dependency between good housing and the other key priorities of Health, Jobs and Skills and Children.
- 5.3 Whilst for many people Birmingham is already a great place to live; it is very clear that there are significant challenges in meeting our ambition for all citizens. This is not just a local problem. The 2017 Housing White Paper was an admission from the Government that the housing market is broken and that the housing crisis cannot be fixed without a role for local government. Delivering this role relies upon collaborative working with statutory and non-statutory partners.
- 5.4 Particular local challenges include:
- 89,000 new homes required to meet the needs of a growing population - capacity for just 53,000 new homes within the city boundaries;
  - Larger than average household sizes – pockets of over-crowding;
  - A demand for more and better housing options for older residents;
  - Many homes are under-occupied;
  - High levels of statutory homelessness;
  - Increased numbers of street homeless;
  - Rising rent levels and house prices but falling real incomes – especially impacting on young people;
  - The impact of benefit reforms – again particularly impacting on the young;
  - An ageing housing stock and many homeowners with fixed or low incomes – lack of investment in maintaining their homes;
  - Fuel poverty is widespread;
  - The need for improvement in the management of rented housing;
  - A rapidly growing private rented sector with variable quality of housing and management.
- 5.5 This strategy builds upon the many strengths and assets that we already have, including:
- A positive, enabling approach to housing growth that is reflected in the ability of the city to attract private investment for housing development;
  - Significant investment in infrastructure – such as HS2 – that will attract further housing investment;
  - Opportunities presented by the West Midlands Combined Authority and devolution to develop a more responsive approach to local conditions;
  - The Birmingham Municipal Housing Trust (BMHT) - a direct delivery vehicle for house-building that is now the largest developer of new homes in the city;
  - A track record of returning empty homes to use and positive use of planning powers to enable re-use of obsolete commercial property for housing;
  - A relatively large affordable housing sector;
  - A history of innovation in responding to homelessness; effective prevention work and examples of national best practice such as the Youth Hub;
  - A network of partners and private landlords who have a shared ambition to deliver a quality private rented housing choice;



- Enforcement and licensing powers for tackling instances of unacceptable private renting management and property standards;
- Significant investment programmes to maintain social rented properties;
- £4m per year to fund adaptations to enable people with disabilities to maintain independence.

5.6 Our approach to delivery is based upon making the most of our existing strengths and assets against three priorities:

- A strong supply of new, high quality homes;
- Citizens are able to find, access and sustain housing that meets their needs;
- Neighbourhoods are enhanced and the quality of existing housing is improved.

5.7 We will increase the supply of new, high quality homes by:

- Creating the conditions for private sector investment and development;
- Enhancing the capacity of BMHT to maintain and increase the Council's direct contribution to housing growth;
- Returning empty homes to use;
- Encouraging and supporting innovation; including self-build;
- Maximising opportunities for registered providers to deliver.

5.8 We will enable citizens to find, access and sustain housing that meets their needs by:

- Making best use of the existing affordable housing stock;
- Working to remove barriers to renting privately;
- Bringing forward a new homeless strategy – with the goal of eradicating homelessness and delivering through a multi-agency positive pathway board;
- Developing a Young Persons Housing Plan – responding to the particular needs of our young population;
- Sustaining tenancies across all rented tenures;
- A Supported Housing Policy that will provide direction on the use of resources in a changing funding environment.

5.9 Our strategy represents a consensus view of the activity that partners will take to meet our priorities. However, there are opportunities to go further to develop more radical options to addressing our challenges. For example, work at a city-region and core city level is moving towards a city deal for housing for the West Midlands Combined Authority. This offers the possibility of much greater flexibility in order to use resources more effectively to respond to local pressures and opportunities. The intent of the Housing Birmingham Partnership is to use this first strategy statement as a platform for developing more transformational proposals. To this end, against each priority theme, we have identified themes where there are opportunities to “stretch delivery”. These are not proposals for which there is a consensus but are areas of potential for the partnership to explore.

<b>6. Evaluation of alternative option(s):</b>
<p>6.1 There is no longer a statutory requirement for the Local Authority to have a Housing Strategy. However, the partnership board feel that there is a value in a collective statement of priorities and acts that provides a direction for housing in the city.</p>

<b>7. Reasons for Decision(s):</b>
<p>7.1 A decision is required in order for Birmingham City Council to endorse the Housing Birmingham partnership strategy. The Council is a key member of the partnership and progressing many of the proposals contained within the strategy will require the support of the Council.</p> <p>7.2 The strategy is intended to provide a direction for policy development. Whilst the detail of specific proposals will be subject to appropriate governance procedures approval for the strategy indicates an agreement to general principles and direction of travel.</p>

<b>Signatures</b>	<b><u>Date</u></b>
<p>Cllr Peter Griffiths Cabinet Member for Housing and Homes</p> <p>.....</p>	<p>.....</p>
<p>Jacqui Kennedy Corporate Director for Place</p> <p>.....</p>	<p>.....</p>

<b>List of Background Documents used to compile this Report:</b>

<b>List of Appendices accompanying this Report (if any):</b>
<p>1. Birmingham: A Great Place to Live</p> <p>2. Birmingham: A Great Place to Live – Summary + proposals to stretch delivery</p> <p>3. Equality Analysis</p> <p>4. Summary Housing Birmingham Strategy Workshops</p>

<b>Report Version</b>		<b>Dated</b>	
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# HOUSING BIRMINGHAM

Birmingham: A Great Place to Live



Housing Birmingham is a partnership for organisations and individuals who want to work collaboratively to tackle Birmingham's housing challenges. The Partnership Board, chaired by the Cabinet Member for Housing and Homes, brings together key housing stakeholders including registered providers, private landlords, third sector bodies, the Local Authority and the Homes and Communities Agency. In addition there is a wider and very diverse network of partners who support and shape the work of the board. All elements of the partnership have been engaged to develop this first Housing Birmingham Strategy. The Strategy is intended to provide the basis for partnership working to achieve shared goals.

# Foreword

Everybody needs somewhere to call home. A decent and safe home is a basic requirement and a fundamental foundation for a healthy and fulfilling life. That is why the Housing Birmingham Partnership has been formed and why we are committed to our vision that:

## “Every citizen can find a great place to live”

For many citizens Birmingham is already a great place to live. The city’s economy is growing and investment in infrastructure and new homes will continue to benefit residents. We want to ensure that growth is inclusive and that nobody is left behind. For housing, this means:

- A strong supply of new high quality homes;
- Citizens are able to find, access and sustain housing that meets their needs;
- Neighbourhoods are enhanced and the quality of existing housing is improved.

Our approach is based on our strengths as a Partnership and as a city. We have much to be proud of in our city’s history of innovation and getting the job done; but we are not complacent and recognise the challenges that we face. The Housing Birmingham Partnership is committed to working together to make the best of our strengths and to take all opportunities that are available to deliver our vision.

This strategy is a statement of our shared commitment. The Housing Birmingham Partnership Board will take the strategy forward and will lead on implementation. Whilst the strategy sets out our priorities and the direction of travel, we know that we will need to be dynamic, flexible and responsive to changes in need and to new situations and opportunities. The Partnership represents a wide spectrum of people and organisations with different interests. But we all share the same determination to work together so that every citizen lives in a home and a neighbourhood that provides a firm foundation for their life.

Councillor Peter Griffiths, Chair of Housing Birmingham/Cabinet Member for Housing and Homes – Birmingham City Council

Jonathan Driffill, Vice-Chair of Housing Birmingham/Chair of Birmingham Social Housing Partnership

# Our Vision for Housing is:

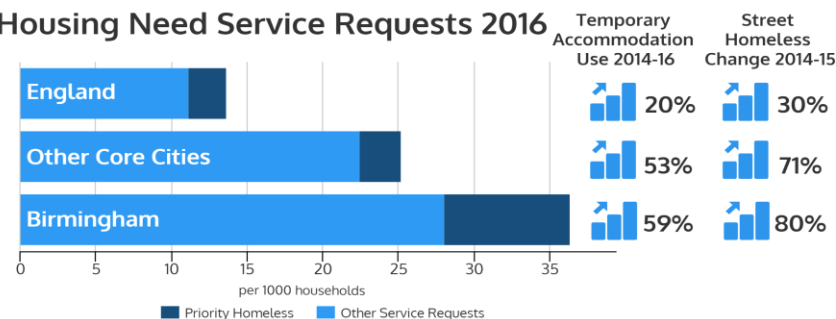
“Every citizen can find a great place to live”

Good housing – alongside health, a sense of purpose and strong positive personal relationships - is a cornerstone that enables citizens to lead happy and fulfilled lives.

# Our Priorities:

- A strong supply of new high quality homes
- Citizens are able to find, access and sustain housing that meets their needs
- Neighbourhoods are enhanced and the quality of existing housing is improved

## Housing Need Service Requests 2016



## Key Housing Issues in Birmingham

## Social Housing Need Met 2015/16



Households requiring up to 3 bedrooms  
**34% of need met**



Households requiring 4 bedrooms or more  
**6% of need met**

## Affordability

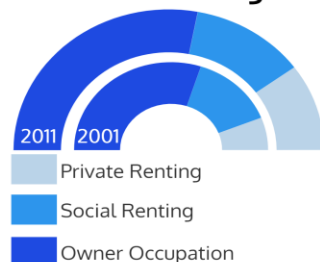
Income to house price ratio

**6.8** Birmingham

**6.4** Other Core Cities

**7.6** England

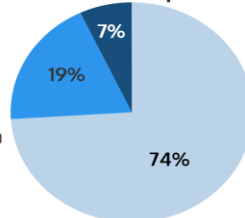
## Tenure Change



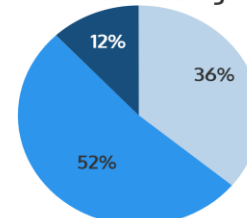
## Occupancy Rates

Overcrowding  
Optimal Occupation  
Under Occupation

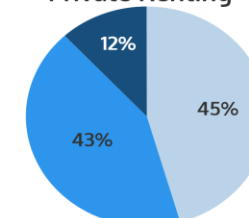
### Owner Occupation



### Social Housing

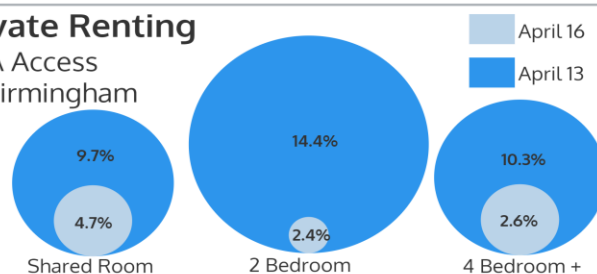


### Private Renting

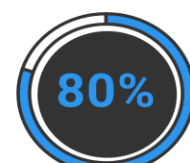
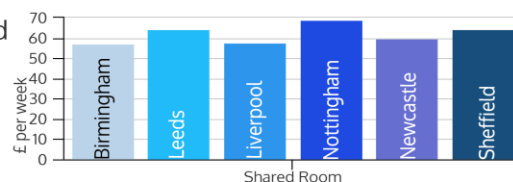


## Private Renting

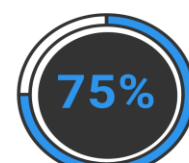
LHA Access in Birmingham



LHA Shared Room rate for selected Core Cities (2016)



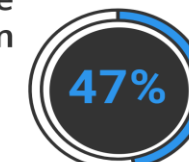
BCC Tenants on Universal Credit who are in arrears



BCC Tenants who are on benefits to pay some or all of their rent



BCC tenants affected by the under-occupation charge



BCC tenants who have had their benefit capped and on income support

## Welfare Reform



## House Building & Household Growth



**89,000 new homes needed by 2031 to meet household growth**

53,132 net additional homes the city can accommodate

1,944 net additional homes completed 2016/17

12,061 additions to the housing stock since 2011

## Types of Homes required

28% 4 bedroom or larger

2,800 homes for older people



1/3 affordable housing  
2/3 market housing



# A strong supply of new high quality homes

## The Challenge

Birmingham is a city of growth. New homes are needed to accommodate a growing population and to help drive and support the economic development of the city and the city-region. 89,000 new homes are needed from 2011 to 2031. Whilst it is not possible to deliver all of this new housing within the city boundary, we have ambitious but achievable plans to build at least 51,000 new homes in this period.

Land, investment and planning policy are the crucial factors in delivering housing growth.

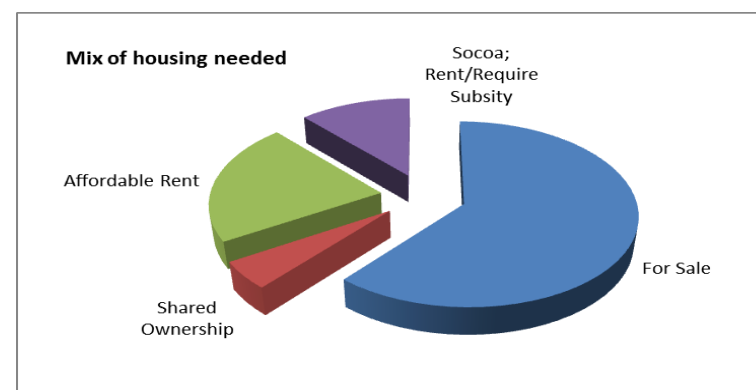
The Adopted [Birmingham Development Plan 2031](#) seeks to encourage housing growth. This strategy complements the Birmingham Development Plan, reinforcing the requirements of the plan for the kind of housing that is needed in the city. The Council uses planning powers positively to enable and accelerate delivery.

Including completions to date, we have identified sites with capacity for 46,247 new homes. In addition, we anticipate that, over the life of the Birmingham Development Plan, new “windfall” sites with capacity for a further 6,885 homes will become available; suggesting capacity for a total of 53,132 additional homes.

Birmingham is an attractive location for property investors with strong demand for housing. Overseas investors have already recognised this potential and are taking the opportunities that are present in the city. We have a track record of innovation in securing investment into the city and will need to continue to work creatively to ensure that all sites in the city deliver their potential to contribute towards our housing target. In particular it is recognised that return on housing investment is not equal across the city and that some locations are more challenging for investors.

The proud industrial legacy of the city means that many brownfield sites will require remediation work in advance of development.

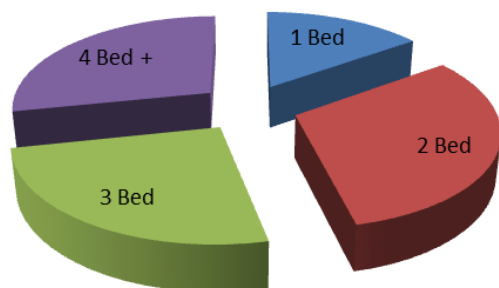
Additional housing is required across all tenures (Fig 1).



An estimated 1/3 of the requirement for 89,000 dwellings is for affordable homes. Whilst a range of affordable housing types are required, the ability to deliver affordable homes is constrained by the availability of subsidy, whether from the government or from development. Government funding in recent years has been targeted at affordable homes for sale rather than rent. The ability of the affordable housing sector to fund development has been further constrained by the introduction of 1% rent reductions for a four year period that commenced in April 2016. This has an impact on the ability of providers to service debts for development investment.

Household sizes in Birmingham are larger than the national average. This is reflected in the Birmingham Development Plan's assessment of housing requirements by bedroom size (Fig2).

**Fig 2: Housing Requirement by Bed Size**



Development provides an opportunity to increase the choice of housing types and options. Whilst Birmingham is a young city, we also have an aging population. The links between suitable housing and health and wellbeing are well established. We have identified that there is an opportunity to develop housing options for older people who wish to move to a more suitable property within the city. Older owner-occupiers have considerable resources in terms of the equity they hold in their homes. Increased housing options for older people would have considerable benefits both in terms of releasing family housing and for the wellbeing and independence of older residents.

Housing completions peaked in 2005-6, but have reduced since 2009-10. In 2015/16, 3,113 net additional homes were completed. Net additions to the housing stock total 12,061 since 2011 against a target of 11,600.

The ability to deliver new homes is also constrained by the capacity of the house-building industry and the availability of skilled workers and materials.

The context of a national, historical undersupply should be recognised. Until the 1980's, Councils were building up to 100,000 homes per year. The consequent fall in supply has led to a national undersupply of 2-3 million homes that has built up over the last 30 years.

## Our Strengths

The city has a strong focus on delivering housing growth. The Birmingham Development Plan 2031 has been approved by the Secretary of State. The Plan sets out a clear vision for housing delivery and has identified

significant land capacity for new homes. Since 2011 we have kept pace with the housing targets outlined in the Birmingham Plan. At present, 4,589 dwellings are under-construction – reflecting our appetite for growth, the opportunities that are available and the confidence of investors in the strength of demand that is present in the city.

Investment in strategic infrastructure, in particular HS2, will attract further inward investment for housing development. There are a number of key strategic residential sites in the city that will deliver large scale investment opportunities.

Birmingham is part of the West Midlands Combined Authority (WMCA). One of the objectives of the WMCA is to increase the provision of new homes across the West Midlands region. As part of the agreement with Government, a number of powers have been devolved to the WMCA. These include:

- Devolved compulsory purchase powers, to help drive housing delivery;
- A potential devolved £500 million loan fund derived from existing Homes and Community Agency programmes;
- A West Midlands Land Commission looking at best practice;
- £200m to bring contaminated land back into use for housing and employment – grant and loan.

The Council is now the biggest single housing developer in the city. In 2015-16 the Council delivered almost 20% of new housing supply in the city. Through the Birmingham Housing Municipal Trust (BMHT) the Council is the only provider of new homes at social rent levels in the city.

Additionally, the Council works with the private sector to provide new homes for sale. High design quality sets aspirational standards to drive up the overall quality of the city's housing stock. Most BMHT homes built for sale are sold to first time buyers. Through InReach, the Council's Wholly Owned Company (WOC), the Council is providing new homes for private market rent which also generates income for the Council.

Community-led housing is a growing movement in the UK. Although there are different models, the fundamental principle is that ultimately ownership or stewardship of the asset is in the hands of residents. Community-led housing models offer an alternative vehicle for housing development, bringing together people from local areas or communities of interest who want to collaborate on meeting their housing needs.

Housing choices for older citizens have been greatly enhanced through the development of a number of extra-care villages in the city. These provide an attractive offer that encourages people to down-size from their current home. As well as providing a good housing option, the ability to access care and the ethos of keeping mentally and physically active deliver wider health and well-being outcomes. [The Housing in Later Life Market Position Statement](#) outlines the demand and opportunities to expand housing choices for older residents.

Nationally, rental surpluses generated by housing associations reached a record level of £3 billion in 2014/2015.

Empty homes represent an opportunity to increase housing supply. There is an effective [Private](#) Sector Empty Property Strategy in place that makes a valuable contribution to annual supply.

New Homes Bonus, the grant paid by central government to local councils to reflect and incentivise housing growth in their areas, is currently paid for every new home for 6 years – although this is being reduced to 4 years. It is based on the amount of extra Council Tax revenue raised for new build homes, conversions and long-term empty homes brought back into use. In previous years the overall allocation has been used to meet corporate priorities rather than targeted at initiatives that could increase the supply of housing in the city. Birmingham's allocation was £17.75 million in 2015/16.

## Our Approach

There are three main delivery vehicles for the development of new homes – the private sector, housing associations and the Council. We intend to maximise the potential of each of these sectors to deliver housing growth. In addition, we will continue to target empty homes and will work with neighbouring authorities to meet housing need across the region.

## Private Sector

There is strong interest from private developers when good quality sites become available in the city – as shown by our housing completions. However, some sites within our identified land capacity are more challenging to develop. In addition, private developers are risk adverse following their experiences in the wake of the 2008 financial crisis and have adopted business models based on profit margin rather than

volume. Major developers are national organisations and seek opportunities in locations where they can maximise return.

We recognise the issues facing private developers but we believe that there is considerable scope for partnership models that will achieve both the objectives of Housing Birmingham and of developers. Our offer to the private sector is:

- An upfront agreement with private sector developers to buy a proportion of the new homes that they build for inclusion within the Housing Revenue Account (HRA) or InReach portfolio, thus reducing the sales risk and providing more certainty;
- Promote and support the release of good quality public and private sector sites for housing delivery;
- Provide opportunities for small and medium sized house builders to build BMHT homes through the establishment of a regional Dynamic Purchase System. Small and medium sized house builders located in and around Birmingham will also be available to other local authorities in the West Midlands Combined Authority area and adjacent authorities wishing to use the system;
- Support for Build to Rent - High quality purpose-built accommodation for rent, where multiple units are developed and held in single ownership for long term rental, is supported as making an important contribution to the supply of housing in the city. The Council recognises the different characteristics of such developments and will have regard to this in the planning process

when assessing the acceptability and viability of schemes. There are currently 1,500 build to rent units under construction in the city.

- Self and Custom-Build can provide a route into home ownership for individuals and groups who want to play an active part in developing their own homes. A register for people interested in self and custom build has been established. We will continue to develop our approach to support people build their own homes. Specifically, the Council will offer plots to sell on the open market for self-build and will provide web-based advice and information for those interested in self and custom build. In addition we are keen to support community-led housing initiatives and will explore opportunities to release land for this purpose.

## Housing Associations

The number of new affordable homes delivered by housing associations in the city has declined since the most recent peak of 933 in 2009-10. Drivers for this decline include a much less generous grant regime (with no grant available for rented schemes except sheltered housing), relative high cost of land in the city and the 1% rental income cut. Like private developers, some housing associations are increasingly national organisations and pursue opportunities where the conditions are most favourable.

Measures to increase delivery by housing associations include:

- Use of Housing Association Recycled Capital Grant Fund (RCGF) to build new homes;
- More use of accrued rental surpluses to build new homes;
- Development of shared ownership homes using Government grant. Government has recently increased grant rates for shared ownership as part of its drive to encourage owner-occupation, and this represents an opportunity for Associations to develop more homes in this tenure;
- Partnerships with the Council to redevelop adjacent housing sites where there is low density and scope for growth. Where such sites occur, comprehensive redevelopment on a joint venture basis would provide economies of scale and could mean that higher levels of density could be achieved across the whole site.

## The Council

In a relatively short space of time the Council has become the biggest single developer of new homes in the city; delivering homes for rent and sale in a wide range of locations. The continued success of the model is threatened by both the availability of Council- owned land and the impact of the national 1% rental reduction – effectively reducing resources by £42m over the 4 year period. We will seek to continue The direct delivery of new homes at scale and pace by:

- Use of Compulsory Purchase Order (CPO) powers to acquire land-banked residential development sites.

- Prioritising suitable, surplus Council land for delivery of new homes. This will generate a long-term revenue stream, rather than a one-off capital receipt.
- Development of under-utilised and poor quality public open space in Council ownership where appropriate. 8 acres of under-used space have already been released to build 600 homes.
- Extending the scope of InReach – the Council’s Wholly Owned Development Company - by selling more sites to the WOC for market rented development, and by selling a proportion of voids from the Council stock for refurbishment and use as market rented homes. The proceeds of the sale will be used to fund the construction of new social rented Council homes.
- Use of New Homes Bonus (NHB) to increase housing supply. We intend to make use of NHB as:
  - A substitute for Homes and Communities Agency (HCA) grant to directly support the provision of social and affordable housing through the Council’s house building arm, the BMHT, or through housing associations;
  - A fund for strategic infrastructure to unlock sites for development. The NHB could be repaid once the development is completed;
  - A revolving loan fund for developers – targeted at small and medium sized local companies.

## Empty Homes & Changes of Use

We will continue to target bringing private sector empty homes back into use through the delivery of an Empty Homes Strategy that makes full use of the powers available to us including compulsory purchase. In addition the Council will charge 150% of Council Tax on empty homes to incentivise owners to bring this valuable resource back into occupation.

There is a track record of facilitating property conversion to residential use, with 415 units added to housing supply in this way in 2015/16. The Council will continue to approve such proposals subject to the design and density being appropriate to the character of the area.

## Sustainable Development

The Birmingham Development Plan sets out the city’s policies for sustainable development – placing sustainable neighbourhoods at the heart of the process. All new housing must demonstrate compliance with policy to ensure that new homes are delivered in the most sustainable way, contribute to creating a strong sense of place, meet high standards of design and environmental sustainability and are climate proof. We must ensure that the necessary infrastructure is in place to support housing growth in the context of creating sustainable neighbourhoods including schools, health facilities, transport, leisure and quality recreational space. This also supports the strategy objective of enhancing existing neighbourhoods. In addition, schemes must be in locations that are appropriate for housing.

Members of the Housing Birmingham Partnership - who directly deliver new homes - will aim to ensure that all new housing meets Code for Sustainability Level 4.

## Duty to Co-operate

We recognise that there is insufficient land capacity within the city to meet all of the housing need that will be generated by forecast growth. Through the duty to co-operate we will work with neighbouring authorities to determine a collective approach to accommodate housing growth to best support regional economic development.

## Balancing Supply

Whilst the number of additions to the housing stock from new housing development are relatively small compared to the total number of homes, development does provide an opportunity to diversify supply, respond to changes in need and to replace obsolete housing. The type, size and density of residential developments are as important as the overall numbers that are delivered. New housing provision in Birmingham should meet the requirements of the Birmingham Development Plan, which promotes the creation of sustainable communities containing a mix of dwelling types, sizes and tenures.

About 38% of the city's overall future housing requirement is for affordable housing. As a partnership we will continue to seek to deliver housing that is affordable to citizens. New affordable homes from developer contributions on privately owned sites will continue to play an important role in meeting the City's affordable housing needs.

Given the particular housing needs of the city we would particularly encourage the development of 4 bedroom and larger homes in the city across all tenures and an increase in housing options – such as the dormer bungalows targeted at under-occupying older tenants developed by BMHT - and housing with care options for older people.

## Housing Delivery Plan

We will bring forward a Housing Delivery Plan to provide further details on the proposals outlined above to unlock the potential for housing development in the city, speed up delivery and enable housing growth. In addition it will reflect opportunities identified through development of the ideas outlined in “Stretching Delivery” below.

## Stretching Delivery

The proposals outlined in “A strong supply of new high quality homes - Our Approach” represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following, more challenging, themes and opportunities to further stretch delivery and deliver more transformative solutions:

- Review all options to increase housing association development in the city;
- Better align new homes with housing need – release pressure on the most challenged housing markets in the city
- Unlock the potential of modular construction;

- Greater promotion of community-led housing and regeneration;
- WMCA Strategic Growth and Development Plan;
- Explore use of sovereign wealth funds to invest in new homes;
- Agree a WM housing deal with government to include a WM housing company supported by a single investment pot.



# Citizens are able to find, access and sustain housing that meets their needs

## The Challenge

A growing population is placing high demand on the existing housing stock. This pressure results in homelessness and overcrowding as households are unable to access suitable housing that meets their needs. At the same time many dwellings across the city are under-occupied.

With a growing economy and the development of the HS2 link to London, it is anticipated that we will continue to attract new residents into the city.

Birmingham has high levels of statutory homelessness with over 1,700 households living in temporary accommodation. At present we seek to permanently accommodate homeless households within the social housing stock – but it is clear that there is an insufficient supply of social housing to meet the needs of both homeless households and other residents with a housing need.

In line with national trends, street homelessness has increased in recent years; rising from 20 individuals identified by the 2014 annual count to 55 in 2016. Street homelessness is the visible tip of a deeper homelessness problem within the city.

Homelessness is not just about access to housing. Loss of employment, domestic abuse and ill health are just some of the factors that can both trigger homelessness or be exacerbated by homelessness. Homelessness cuts across the city's vision; with impacts in terms of childhood development, health and accessing employment as well as the more obvious housing issue.

The Homelessness Reduction Act 2017, which is likely to be enacted in 2018, will require fundamental changes to the approach taken to prevent and to respond to homelessness at an earlier stage.

The Health and Well-Being Board have identified housing, and homelessness in particular, as a crucial issue for well-being in Birmingham – recognising that homelessness affects social bonding, school performance as well as being linked to disadvantage in future generations. The Board have decided that an ambition to abolish the use of temporary accommodation for families with children is appropriate.

In addition, the Health and Well-Being Board want to improve the well-being of the most disadvantaged and have identified housing as a fundamental issue for those with mental health problems and learning disabilities. Housing is vital to generating stability. The WMCA Mental Health Commission advocates the "Housing First" model for people with mental health problems and the Board supports this ambition. Outcomes

for citizens with learning disability in the city are too low; people are not being enabled to live independently and develop their potential. We need to reduce the number of people living in institutions and increase the number living in accommodation of their choice in order to provide the platform to improve their outcomes.

There are pockets of high overcrowding in the city. There are 5 wards in the city where more than one in five households are short of at least one bedroom. In a further 6 wards, one in ten households suffer the same problem.

However, many homes, across all tenures, are under-occupied. In 32 of the 40 wards, half of all households have at least one spare bedroom.

Across all tenures the need and demand for 4 bedroom and larger properties exceeds the available supply. This is a particular issue for the affordable rented sector where an acute shortage of this property type is apparent. This poses real difficulties in terms of finding suitable settled accommodation for homeless households as well as resulting in overcrowded tenants having little realistic prospect of securing a transfer to a larger home. There is a significant risk that the introduction of right-to-buy for the registered provider sector will further reduce the availability of larger social rented homes. Once lost, it will be virtually impossible to replace these assets on a like-for-like basis.

Some sheltered housing schemes in the city are obsolete and experience issues of low demand. This provides an opportunity for change of use or redevelopment.

Affordability is a key factor both in terms of accessing market rented and market sale properties. It is estimated that only 5% of advertised private rented dwellings have rents that are fully covered by the local housing allowance. As well as the increasing cost of market renting, households can face exclusion from the sector as a result of needing to make rental payments in advance or to provide a cash deposit. Some landlords are unwilling to take tenants in receipt of benefits. Those seeking to own a home typically face prices that are 6.8 times the average income for the city and also need to provide large deposits to secure a mortgage.

Within the affordable housing sector, there is an increasing issue of households being unable to afford affordable rented tenure homes where the rent is set at up to 80% of the market value.

Average incomes in the city are relatively low. The median household income is £26k. In 6 out of 10 districts, people on lower quartile incomes would be unable to afford the cost of buying or renting lower quartile market accommodation (based on using a relatively high threshold of 1/3 of gross income for rent or mortgage payments).

In Birmingham there are many people who require support in accessing and sustaining accommodation. At present 11,744 vulnerable individuals are supported through Council commissioned housing-related support. Vulnerabilities may include learning difficulties, mental health issues, recent periods in prison or other institutions, recent arrival in the country and domestic abuse.

Vulnerable people are more likely to find barriers to accessing accommodation and navigating their way around the housing system.

This can result in the person becoming street homeless or living in precarious housing, placing them at further risk of harm.

Changes to welfare benefits will increase the number of households with extremely restricted housing options. The roll-out of Universal Credit (UC) is likely to result in households facing 6 week waits for payment – putting many at risk of financial hardship.

Birmingham is a young city with 38% of the population aged less than 25. Affordability presents a particular barrier for young people seeking to access housing. Changes to UC from April 2017 mean that those aged 18-21 will have no entitlement to the housing element of UC unless they fall into an exempt group (including those who are unable to return home to live with their parents; certain claimants who have been in work for 6 months prior to making a claim; and young people who are parents). Other young people under the age of 35 are only able to claim local housing allowance at the shared room rate.

Tenancy failure is costly for both landlords and tenants across all rented tenures. In 2016, 733 local authority tenants were evicted as a result of breaching tenancy conditions. The majority of these cases were due to serious rent arrears. 572 social housing tenants were accepted as being statutorily homeless, most commonly as a result of domestic abuse. The ending of a private tenancy is now the single largest reason for homelessness in Birmingham with 864 households accepted as homeless in 2015/16 – almost a quarter of all homeless acceptances.

## Our Strengths

The affordable housing stock comprises 24% of total homes. Although the proportion of affordable housing has reduced from the historic peak levels of the past, this is still a relatively high proportion compared to national averages. Turnover releases c.6,800 council and housing association dwellings for letting each year.

The Supporting People Programme in Birmingham is still in place, albeit on a reduced scale, and helps vulnerable people improve their quality of life through the provision of stable accommodation and quality, cost-effective support.

In addition the exempt supported housing market provides accommodation with enhanced management and support. However, the standard and quality of this provision varies greatly.

From 2019/20 a new funding model for supported housing will be introduced. Government proposes that core housing costs up to 1 bedroom at the local housing allowance level will be funded through the housing element of Universal Credit, with additional housing costs being met through the introduction of a ring fenced top-up funding administered by Local Authorities. Whilst this may represent an opportunity for local commissioning it is also recognised that this model is unlikely to work for short-term transitional supported housing.

We have a history of innovation in tackling homelessness and have examples of national good practice within the city. There is a strong network of community and third sector organisations committed to

working to reduce homelessness and to support those who are homeless or who are living in insecure accommodation.

The Youth Hub in Birmingham provides an excellent, nationally-recognised, model of best practice for responding to the multiple needs of young people who are at risk of being homeless.

The impact of existing homelessness prevention work should not be under-estimated. Every year, housing partners across the city ensure that thousands of households who are homeless, or at high risk of homelessness, are provided with shelter and a pathway into settled accommodation. For 2015/16 this included 5,578 households assisted through the statutory homeless system as well as an additional 7,824 households whose homelessness was prevented or relieved by Council delivered services or commissioned services delivered by partners. In addition, there are many other agencies active in the city who provide advice and assistance to people in housing crisis.

## Our Approach

### Homelessness

The Council has a statutory duty to have a strategy to prevent homelessness. The Council will bring a new Homelessness Prevention Strategy forward for approval in 2017. This will set out the direction for meeting the city's vision; "In Birmingham we will work together to eradicate homelessness."

Our fundamental aim is to prevent homelessness by ensuring that people who are at risk of homelessness have access to accommodation and do not end up living on the street. The strategy will detail how partners will seek to deliver on this objective through a positive pathway model that incorporates:

- Universal prevention – information, advice and assistance that is available to all at the earliest possible opportunity for those at risk of becoming homeless;
- Targeted prevention – risk-based interventions to prevent the threat of homelessness becoming a reality;
- Crisis prevention – providing relief and shelter at the point of crisis;
- Housing Recovery - preventing a further escalation of need and promoting recovery.
- Range of housing options - a platform to move into something long term stable and secure

A Homeless Positive Pathway Partnership Board has been established to develop and deliver the strategy. Membership of the board will reflect the need for holistic responses to homelessness that address the impact on children, health and the ability to access employment as well as securing access to accommodation. This is essential in order that citizens have the resilience to sustain a home.

In addition to the Partnership strategy and in the context of the Homeless Reduction Act, the Council will publish a Homeless Policy setting out the detail of how statutory duties will be delivered. This will incorporate good practice from the Trailblazer project and the use of the private rented sector to discharge homelessness duties.

We recognise the benefits of working together across the region to prevent homelessness. Cross-authority work includes joint programmes with Solihull MBC to improve access to the private rented sector and to provide a holistic response to entrenched street homelessness.

## Allocating Social Housing

A new Housing Allocation Scheme was implemented by the Council in April 2017. This has simplified the process for assessing those who are in greatest need of social housing. A [summary of the scheme](#) provides further detail.

The scheme will be formally reviewed every 12 months to ensure that the strategic aims are being met and to review the equality impact assessment.

## Nominations

Housing associations in the city have an agreement with the Council to provide a proportion of lettings to the Council for letting to households on the local authority's housing register. In summary, Housing associations have committed to make available:

- 50% of 0-3 bedroom properties that become vacant;
- 75% of 4 bedroom and larger properties that become vacant; and
- 100% of new homes built on Council land or delivered via a planning agreement.

Delivery against this agreement is monitored on a quarterly basis.

## Sustaining Tenancies

To address tenancy failure affordable housing providers will work collectively and individually to:

- Assist and encourage tenants into work and training pathways;
- Budget and manage finances to prioritise the payment of rent;
- Resolve benefit issues and promote financial inclusion;
- Work with households on their waiting lists to be “tenant-ready” when they are successful in bidding for, or being made an offer of accommodation;
- Prevent tenants from becoming homeless via anti-social behaviour, domestic violence and family mediation work.

The Council operates a weekly eviction panel with representatives from key business areas including Benefits, Housing Options and Think Family to review every case that is due for eviction. Discussing each case enables identification of gaps in benefit entitlements, provides access to the Homeless Prevention fund and to support from Think Family to enable tenancy sustainment. We would like to extend this approach to include registered provider and private landlords.

Birmingham's multi-agency- Financial Inclusion Partnership has developed a strategy and action plan and will work collaboratively to deliver the key objectives. Delivery of this strategy is an integral part of the Housing Birmingham approach.

## Making Best Use of the Housing Stock

We will pursue opportunities to make better use of the existing housing stock. As a partnership, our ability to influence the way in which housing in the city is utilised is greatest for the affordable housing sector. Within this sector we will:

- Promote the use of mutual exchanges as a way for tenants to move to a home that is of an appropriate size for their needs. This could include only allowing transfer applications if tenants have been unable to secure a suitable mutual exchange;
- Explore the most effective use of fixed term tenancies to align accommodation with an individual households need;
- Review the provision of sheltered housing accommodation. Retaining the best quality stock and releasing obsolete accommodation for re-purposing or redevelopment;
- Minimise the time that properties are left empty between tenancies;
- Give priority within allocation schemes for tenants who are under-occupying larger homes, particularly houses, and explore all options – including schemes to incentivise and assist down-

sizers - to enable the release of under-occupied homes; especially 4 bed and larger properties;

- Explore ways of protecting the stock of 4 bed and larger homes so they remain available as an asset to meet a pressing housing need.

## Reducing Child Poverty

The Birmingham Child Poverty Commission published its findings in July 2016. Housing providers have a role to play in delivering the recommendations of the Commission. In particular, the Housing Birmingham Partnership will commit to:

- Introducing a minimum of 3-year tenancies for families with children in the affordable housing sector, allowing for greater stability for tenants and landlords;
- Undertake a formal review of the Council's housing standards enforcement, with a view to introducing a landlord accreditation scheme.

## Housing Options for Young People

Young people often require assistance to find and secure accommodation and support to build up their capacity to maintain the accommodation. Building upon the strengths of the Youth Hub, we will develop a Young People's Housing Plan centred around delivery of the St Basil's and Barnardo's Positive Pathway model.

The key elements will focus on preparing young people to understand their housing options, how to access these options, employment and training and their housing and benefits rights alongside the responsibilities of being a tenant.

The plan will also consider alternative housing models for young people such as shared housing and live and work schemes.

The provision of housing linked to employment will be a key feature with the aim of providing young people with the financial capability to maintain their housing whilst progressing through a career path.

Access to rented housing for single people under-35 remains an area of concern. Initiatives such as shared housing models need to be explored for this cohort.

## Access to Market Rented Housing

We need to improve access to market rented housing to assist in meeting housing need. We will explore the following options to assist citizens to overcome the barriers to renting privately:

- Continuation of the Social Lettings Agency;
- A Birmingham Rent Deposit/Bond scheme;
- Feasibility study into how to develop effective schemes to access the Private Rented Sector.

## Supported Housing Policy

In spite of challenging financial circumstances, the Council has maintained funding – albeit at a reduced level – for supported housing; recognising the importance of investing in a preventative model.

We will provide housing support initially worth £25m annually but with a planned reduction to £20m in the period 2017-20. This will be prioritised to prevent vulnerable people from becoming homeless and preventing repeat homelessness. In particular the resource will be targeted towards homeless households, people who have experienced domestic abuse, people who have disabilities or mental health issues that make them more vulnerable, ex-offenders and young people.

In response to the challenge posed by the changes to funding of short-term supported housing, the Housing Birmingham Partnership have offered to pilot a locally co-designed model which would reduce transactional costs, improve standards and facilitate joint commissioning of support.

In addition we will develop a Supported Housing Policy and model. This policy will be informed by evidence of need and a market position statement in relation to the provision of supported housing. The policy will set out an outcomes based approach for the use of the total resource that is available for housing with support.

The Council's vision is that adults with a social care need are enabled to live as independently as possible. Boosting the number of citizen's benefiting from "Shared Lives" is a key aspiration. This model seeks to

place people into private homes where the householder and their family provide care and support.

## Stretching Delivery

The proposals outlined in “Citizens are able to find, access and sustain housing that meets their needs - Our Approach” represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following, more challenging themes, and opportunities to further stretch delivery and deliver more transformative solutions:

- De-conversion of social and affordable rented Houses in Multiple Occupation (HMOs) and converted flats into family housing;
- Work with partners to explore options to maximise the value of local housing allowance so that there is better access to private rented housing across the city;
- Develop options to make better use of the housing assets of people receiving residential/nursing care to help meet their care costs, better maintain the value of their asset and to meet housing needs;
- Focus on affordability – particular for those impacted by welfare reform;
- Greater integration of activity across the whole system of housing, employment, education, social care and health;

- Better outcomes for citizens with mental health and learning disabilities by enabling greater housing choices and opportunities to live more independently.



# Neighbourhoods are Enhanced and the Quality of Existing Housing is Improved

## The Challenge

Every citizen should have the opportunity to live in a safe and warm home within a neighbourhood they are proud of. Rented homes should be well-managed by a competent landlord.

The physical condition of homes in the city is dependent on 2 key factors – their age and the ability of owners to maintain their properties. Birmingham has a relatively old housing stock with many residential areas being built in the Victorian, Edwardian and inter-war periods.

Consequently many homes are 70 or more years old and have inherent issues such as single-skin walls and poor quality original construction. Older homes tend to be more expensive to maintain and to heat. A substantial minority of more recent properties were built using non-traditional construction methods. Some of these require costly structural work. In particular, the Council owns a large number of these properties, with over 200 tower blocks, many low rise flats and some houses. In many cases the cost of remedial works can be prohibitive.

The most recent Birmingham Private Sector Stock Condition Survey (2010) found that 37% of all private sector homes failed the decent

homes standard. Within the private rented sector the proportion rose to 42%. Of the 117,500 failing homes, 69,000 had a Category 1 hazard. This is a hazard that presents a health risk such as the property being excessively cold or containing fall hazards. 46,000 failed on the thermal comfort criteria whilst 43,000 had severe disrepair issues.

In the context of a city with high levels of income deprivation many homeowners struggle to find the funds to properly maintain their homes. Government austerity measures have effectively ended state assistance for marginal home-owners to carry out essential maintenance.

Whilst the social housing stock in the city is overall of a better physical standard than the private sector, revenue reductions as the result of the 1% annual rent cut will impact upon planned maintenance programmes and is prompting some landlords to review stock viability and long-term investment plans.

The tragic events at Grenfell Tower have focussed attention on the safety of residents living in high-rise accommodation. There are a large number of high-rise residential blocks within the city including over 230 that are owned by social landlords. We must ensure that all high-rise

accommodation is as safe as it is possible to be and that residents are satisfied that their homes are safe places to live.

Birmingham is ranked as the 18<sup>th</sup> worst local authority in terms of fuel poverty with 14.1% of households unable to adequately heat their home. This is due to a combination of poor property conditions, low household incomes, rising fuel prices and behavioural factors such as incorrect use of heating systems and not choosing the best tariff. This has a negative impact on the health and well-being of citizens, especially the young and the old.

Medical treatment as a result of cold homes was estimated, in 2011, to cost the health service in Birmingham £17m per year. By contrast, the cost of eliminating the problem from the homes of those affected was estimated at £5m.

In addition to policy drivers around health and well-being for greater energy efficiency there is also a requirement to reduce carbon emissions from the housing stock as part of Birmingham Green Committee's vision to reduce CO2 emissions by 60% by 2027 against 1990 levels. This can create competing pressures with a potential tension between targeting resources to achieve the biggest carbon reductions versus helping the fuel poor to afford to heat their homes and remain healthy.

A growing older population is increasing the demand for adaptations to enable people to remain living independently in their own homes. Commonly required adaptations include hand-rails, stair lifts and accessible bathrooms.

Private renting has grown rapidly in Birmingham in recent years; from 12% of the total housing stock in 2001 to 20% in 2011. Private landlords are a large and diverse group. Whilst some are well-established with large portfolios, many are individuals with small portfolios and limited experience of property management. Within the sector there is great variation in the knowledge of law and legal responsibilities and economies of scale go unrealised. Local authority resources to maintain legal standards in the sector have not kept pace with the scale of growth.

The majority of landlords in the city are responsible and seek to provide a good management service; but there are a minority that oversee poor practices and quality. At the extreme end of the spectrum some landlords knowingly engage in criminal activity – posing a particular risk to tenants with vulnerabilities such as a learning disability or benefit dependency.

Management standards are generally more consistent within the affordable housing sector with tenants enjoying greater protections and stronger routes to redress issues. Nevertheless, the often concentrated nature of affordable housing does generate management issues such as anti-social behaviour and other breaches of tenancy conditions that cause nuisance for neighbours.

Birmingham is a city of sanctuary and has provided a place of refuge for many asylum seekers. However, the procurement of accommodation for asylum seekers through the national framework does place additional stress on to the local housing market. In addition there are some concerns regarding the suitability of some accommodation that has been procured.

## Our Strengths

Affordable housing providers within the city all operate planned and reactive maintenance programmes to keep properties in a decent condition.

We have a well-established “Stay Warm Stay Well” (SWSW) programme that delivers practical solutions to vulnerable people affected by fuel poverty. The programme is delivered through a network of third sector partners.

Utility companies are required to contribute to the Energy Company Obligations (ECO) fund. This is available for investment in affordable warmth measures – targeted at low income households and those in fuel poverty. The Council also has the ability to define a “flexible eligibility” for households outside of the target households.

The Council has a range of licensing and enforcement powers designed to maintain legal standards in the market rented sector in terms of both physical condition and management. The use of powers is a last resort and should be seen within the context of partnership working which spans government bodies (Police, Fire Brigade, Home Office, other Councils), private landlords, business and higher education establishments. By working collectively the outcomes we seek are far more likely to be achieved and sustained; to the benefit of tenants and the city as a whole.

The growth of the private rented sector in the city also provides an opportunity in terms of new investment and new players including social

investors in the sector who have the specific aim of improving practices and standards. However, the key asset for the sector remains the existing core of decent landlords. The National Landlord’s Association are well represented and very active locally, working in partnership with their members and providers across tenures.

The proposed creation of a new, stand-alone regulator for the registered provider sector following the review of the Homes and Communities Agency offers the potential for a refreshed approach to the regulation of the sector.

£4m is currently available on an annual basis to undertake adaptations to privately owned homes occupied by residents with a physical disability. In addition, social housing providers make funding available to adapt homes within their own stock – although it is recognised that increasing demand is placing additional pressure on providers.

## Our Approach

### Affordable Housing Stock Condition

The Council has a £169m, three year capital investment programme (2016-19) for planned improvements and maintenance to its housing stock. This is part of a broader approach to asset management that includes a programme of clearing obsolete, costly dwellings and replacing them with high quality, new build homes through BMHT. The long-term sustainability of all units will be reviewed annually. Dwellings that are assessed as being non-viable will undergo an options appraisal to

determine the best course of action. Options include redevelopment, conversion or disposal.

Non-traditional high-rise blocks will be subject to an options appraisal in advance of the expiry of their planned lifespan. This will evaluate the feasibility of extending the lifespan of each block for a further 30 years.

Registered providers of affordable housing have a similar commitment to maintaining their stock.

## Fire Safety in High-Rise Accommodation

For all landlords within the Housing Birmingham partnership the health and safety of residents is of paramount importance. In the wake of the Grenfell Tower fire we will comprehensively review our fire safety procedures and work with government and the fire service to test materials that have been used for external cladding. Birmingham City Council is the landlord with the largest number of high-rise dwellings and has made a commitment to retro-fit sprinkler systems to all blocks.

## Privately-owned Housing Stock Condition

Apart from assistance for adaptations and affordable warmth, the Council is unable to offer any financial support for private owners to maintain or improve the condition of their homes.

See section on the Private Rented Sector for details of approach to stock condition for market rented homes.

## Adaptations for Disabled Citizens

The Council has committed to using all of the DFG funding it receives from the government to assist those living in the private sector. Applications for a DFG are assessed by an occupational therapist. Those with low levels of need are offered information, advice and support on how to pursue adaptations independently, while those with medium and high levels of need are able to access a grant to fund the cost of works. The Council will procure new delivery arrangements to drive efficiency and maximise the benefits of grant funding for citizens.

Within the affordable housing stock, the Council currently makes £3m available to assist council tenants to live independently. Housing associations also fund the cost of adapting homes to meet the needs of their tenants.

## Affordable Warmth

The importance of tackling fuel poverty to improve health, well-being and financial inclusion is well recognised and is highlighted as a cross-cutting issue within the Council's Vision and Priorities statement. As a partnership we need to further develop our approach to this issue to address both fuel poverty and the environmental impact of housing.

The Council has an ambition to extend an offer of affordable warmth works to private sector households within the areas where ECO-funded improvement works are being carried out on Council-owned homes.

The Council is also developing a business case for a local energy company. This is intended to deliver benefits to residents – both in terms of more affordable tariffs and opportunities to locally target surpluses on energy efficiency measures.

## Private Rented Sector

We will focus the resources we have to tackle issues in the worst parts of the market; to ensure that private tenants can live in good homes and neighbourhoods. We will make use of licensing and other powers to target rogue landlords across the city. In particular we will:

- Promote greater self-regulation of the sector to secure a professionally managed rental market, by:
  - Developing a more strategic, professional Landlord/Agent partnership;
  - Developing with partners a Rental Charter/Code for Birmingham or across the West Midlands;
  - Increasing the capacity of Landlord Accreditation in the City to act as a positive force within the market.
- Use enforcement powers to target the worst landlords, agents, properties and neighbourhoods:
  - Introduce selective licensing in target areas;
  - Enforce standards in HMOs where licensing applies;
  - Joint working/delegations with West Midlands Police and West Midlands Fire Service (WMFS) on enforcing standards in the Private Rented Sector.

- Enhance our partnership working to deliver good neighbourhoods:
  - Encourage institutional development for market rent in the city - seek to target landlords seeking to exit the sector who have quality properties;
  - Develop a student housing strategy in partnership with Universities, Colleges, landlords, agents and industry to include housing approaches to retain graduates.

In addition we will review the policies that comprise our Private Sector Regulatory Framework.

## HCA Regulation

In response to the growth in the number of new registered providers working in the support exempt accommodation sector, the Council will seek to work with the HCA and the proposed new, successor organisation to explore options for more effective regulation.

## Asylum Seeker Accommodation

Birmingham is the host authority for the West Midlands Strategic Migration Partnership. This is a regional team funded by the Home Office to co-ordinate the asylum seeker dispersal programme. The Council will continue to work with the partnership to ensure that the needs and concerns of both asylum seekers and resident communities are addressed. In particular, our approach is to:

- Minimise the impact on local communities by seeking the dispersal of accommodation across all parts of the city and avoiding concentrations in particular locations;
- Ensure that the accommodation being used to accommodate asylum seekers meets required standards;
- Oppose the use of hotels for asylum seeker accommodation; especially where there is mixed use of the hotel for both asylum seekers and other guests. Instead, we will encourage the provision of bespoke accommodation that better meets the needs of these households.

## Affordable Housing Management

Affordable housing providers manage almost a quarter of the city's housing stock. As such they are key stakeholders in neighbourhoods and the quality of their management services impacts upon a large minority of citizens. Providers in the city have long established links with each other through the Birmingham Social Housing Partnership and with the Council through operational and strategic partnership arrangements; including the Housing Birmingham Partnership. In respect of tenancy and neighbourhood management we aim to:

- Uphold tenancy conditions – respond effectively to breaches in tenancy conditions, such as rent arrears and anti-social behaviour;

- Empower tenants – enable people living in the properties we hold, across a range of tenures, to take greater control of managing their homes and neighbourhoods;
- Manage neighbourhoods – recognise our unique stake and role in particular neighbourhoods in the city and work in partnership with local communities and agencies for the benefit of citizens.

As the largest single landlord in the city, the Council will:

- Develop an initial triage response to tenant contacts;
- Enable tenants to access appropriate accommodation as they age so that they are able to remain active and independent for longer;
- Undertake a review of tenancy conditions with the aim of clearer tenant rights and responsibilities;
- Expand the tenancy visit programme –embed annual visits as a key part of an early intervention approach and expand the range of services that can be dealt with during a visit;
- Protect the housing stock – ensuring that properties are maintained to a high standard; establish a proactive working group to reduce complaints about repairs;
- Develop improved policies and procedures to achieve a consistent approach across the city whilst retaining the ability to tailor responses to specific local community needs;

- Work together with Housing Birmingham Partnership members to better co-ordinate services in local wards and neighbourhoods and to ensure that resident ideas and input form part of the solutions;
- Explore the co-regulation of neighbourhoods with tenants and residents.

## Stretching Delivery

The proposals outlined in “Neighbourhoods are Enhanced and the Quality of Existing Housing is improved - Our Approach” represent current, agreed actions and priorities for delivery. In addition to these, the partnership will explore the following more challenging themes and opportunities to further stretch delivery and deliver more transformative solutions:

- Increase the social value that landlords contribute to neighbourhoods;
- Co-produce and implement a new vision for social housing with a focus on giving tenants more control over their homes.

# Delivering Our Vision

## Housing Birmingham Partnership Board

This strategy is owned by the Housing Birmingham Partnership. This is a high level strategy that sets a direction of travel rather than seeking to plan activity in detail. This recognises that our plan-making needs to be flexible and responsive to changes in circumstances whilst maintaining a focus on our ambitions.

The Housing Birmingham Partnership Board is tasked with turning our shared vision into action. The Board meets on a quarterly basis to review progress and individual Board members are charged with leading on specific objectives.





## Birmingham: A Great Place to Live

Vision	Every Citizen can find a great place to live		
Priorities	A strong supply of new high quality homes	Citizens are able to find, access and sustain housing that meets their needs	Neighbourhoods are enhanced and the quality of existing housing is improved
Challenge	<ul style="list-style-type: none"> <li>Forecast household growth of 89,000 to 2031</li> <li>Forecast capacity for 53,132 homes</li> <li>Some sites are challenging to develop</li> <li>1/3 of requirement is for affordable homes – limited subsidy</li> <li>Households are larger than national average – shortage of 4 bed and larger homes</li> <li>Need more housing options for older residents</li> <li>Challenge to meet the required, increasing pace of completions</li> </ul>	<ul style="list-style-type: none"> <li>Homelessness – very high rate of statutory homelessness; increasing number of street homeless. Wider impact on health, children and employment</li> <li>Pockets of severe overcrowding</li> <li>Many homes are under-occupied</li> <li>Affordability               <ul style="list-style-type: none"> <li>Low average incomes</li> <li>Young city – welfare reform disproportionately affects younger people</li> <li>Single LHA rate for the whole city – many neighbourhoods out of reach</li> </ul> </li> <li>Vulnerable groups – challenge to find and sustain housing</li> <li>Tenancy failure – biggest single cause of homelessness</li> </ul>	<ul style="list-style-type: none"> <li>Relatively old housing stock</li> <li>Low average incomes</li> <li>37% of private homes non-decent (2010) - lack of resources to tackle the issue</li> <li>18<sup>th</sup> worst authority for fuel poverty</li> <li>Poor housing estimated to cost B'ham health services £17m per year</li> <li>High demand for adaptations</li> <li>Growing PRS – some inexperienced landlords/some rogue landlords</li> <li>Accommodation for asylum seekers – additional pressure</li> </ul>
Strengths	<ul style="list-style-type: none"> <li>Focus on housing growth – approved Birmingham Plan 2031</li> <li>Investment in strategic infrastructure – will attract investment in housing</li> <li>WMCA powers – CPO/potential £500m loan fund/land commission/£200m contaminated land fund</li> <li>Council development activity – largest house-builder in city; BMHT and InReach</li> <li>Housing association rent surpluses</li> <li>Empty homes action</li> <li>New Homes Bonus - £17.75m in 2015/16</li> </ul>	<ul style="list-style-type: none"> <li>C.6,800 affordable lettings each year</li> <li>Supporting People Programme</li> <li>Opportunity of new funding model for housing with support</li> <li>History of innovation re. homelessness</li> <li>Examples of national best practice – eg. Youth Hub</li> <li>Impact of current homeless prevention</li> </ul>	<ul style="list-style-type: none"> <li>Affordable housing providers have planned maintenance programmes</li> <li>Established Stay Warm, Stay Well Partnership</li> <li>Opportunities to access ECO funding</li> <li>Licensing and enforcement powers in the PRS &amp; network of agencies who work in partnership and who have influence</li> <li>£4m per annum for adaptations</li> </ul>

<p><b>Our Approach</b></p>	<ul style="list-style-type: none"> <li>• Private Sector <ul style="list-style-type: none"> <li>○ Joint working arrangements to de-risk investment</li> <li>○ Upfront agreements to purchase units for BMHT/InReach to reduce sales risk</li> <li>○ Site assembly to release sites for delivery</li> </ul> </li> <li>• The Council. Mitigate risks to continued development programme by: <ul style="list-style-type: none"> <li>○ CPO land-banked sites</li> <li>○ Prioritise surplus, suitable BCC land for housing development</li> <li>○ Use of poor quality/under-used POS where appropriate</li> <li>○ InReach; sale of BCC sites and transfer of void stock</li> </ul> </li> <li>• Use of New Homes Bonus to boost supply</li> <li>• Housing Associations <ul style="list-style-type: none"> <li>○ Use of Recycled Capital Grant and rental surpluses</li> <li>○ Take opportunities to secure government grant for affordable home ownership</li> <li>○ Joint ventures with BCC on adjacent sites</li> </ul> </li> <li>• Empty Homes and Changes of Use <ul style="list-style-type: none"> <li>○ Empty Homes Strategy</li> <li>○ 150% Council Tax</li> <li>○ Facilitate conversion of empty properties to residential use</li> </ul> </li> <li>• Encourage delivery of 4 bed and larger homes and housing options for older residents</li> <li>• Housing Delivery Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Homelessness Strategy – “In Birmingham we will work together to eradicate homelessness”. A positive pathway model: <ul style="list-style-type: none"> <li>○ Universal prevention – information, advice and assistance that is available to all at the earliest possible opportunity for those at risk of becoming homeless</li> <li>○ Targeted prevention – risk-based interventions to prevent the threat of homelessness becoming a reality</li> <li>○ Crisis prevention – providing relief and shelter at the point of crisis</li> <li>○ Housing Recovery - preventing a further escalation of need and promoting recovery</li> </ul> </li> <li>• Discharge of homeless duty into the private rented sector</li> <li>• New Allocations Scheme implemented April 2017</li> <li>• Nominations agreement with housing associations</li> <li>• Sustaining tenancies</li> <li>• Review Strategic Tenancy Policy</li> <li>• Making best use of the existing stock <ul style="list-style-type: none"> <li>○ Mutual exchanges</li> <li>○ Tackle under-occupation</li> <li>○ Review of sheltered accommodation</li> <li>○ Use of fixed term tenancies</li> <li>○ Protect supply of 4 bed and larger homes</li> </ul> </li> <li>• Young Persons Housing Plan</li> <li>• Improve access to private rented accommodation</li> <li>• Supported Housing Policy</li> <li>• Implement Child Poverty Commission actions</li> <li>• Welfare Reform Task and Finish Group</li> </ul>	<ul style="list-style-type: none"> <li>• BCC - £169m investment programme for Council housing (2016-19)</li> <li>• High-rise fire safety: Comprehensive review of fire safety procedures and work with government and the fire service to test materials that have been used for external cladding. Birmingham City Council has committed to retro-fit sprinkler systems to all blocks</li> <li>• Target adaptations funding at private sector. Social landlords will fund their own tenants adaptations</li> <li>• Extend social housing ECO programmes to include privately owned homes in the neighbourhood</li> <li>• Establish Birmingham Energy Company: invest surpluses to tackle fuel poverty and encourage low income households to move to cheaper tariffs</li> <li>• Private rented sector. Target resources at worst parts of the market; <ul style="list-style-type: none"> <li>○ Promote sector self-regulation</li> <li>○ Use enforcement powers (inc. licensing) to target worst neighbourhoods/landlords</li> <li>○ Enhance partnership working to improve neighbourhoods</li> <li>○ Seek dispersal of asylum seekers and ensure property standards are met</li> </ul> </li> <li>• Raise standards of housing management</li> <li>• Partnership response to neighbourhood management</li> </ul>
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Stretching Delivery	<ul style="list-style-type: none"><li>• Increase housing association new build</li><li>• Better align new homes with housing need – release pressure on the most challenged housing markets in the city</li><li>• Explore potential for modular construction</li><li>• Promote community-led housing and regeneration</li><li>• WMCA Strategic Growth and Development Plan</li><li>• Explore use of sovereign wealth funds to invest in new homes</li><li>• Agree a WM housing deal with government to include a WM housing company supported by a single investment pot</li></ul>	<ul style="list-style-type: none"><li>• De-conversion of social/affordable rented HMO/converted flats into family housing</li><li>• Work with partners to explore options to maximise the value of local housing allowance so that there is better access to private rented housing across the city</li><li>• Explore options to make better use of the housing assets of people receiving residential/nursing care to help meet their care costs and to meet housing need</li><li>• Focus on affordability – particular for those impacted by welfare reform</li><li>• Whole system approach – housing, employment and health</li></ul>	<ul style="list-style-type: none"><li>• Increase the social value that landlords contribute to neighbourhoods</li><li>• Co-produce and implement a new vision for social housing with a focus on giving tenants more control over their homes</li></ul>
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# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Birmingham: A Great Place To Live
<b>Directorate</b>	Place
<b>Service Area</b>	Place - Housing Transformation
<b>Type</b>	New/Proposed Policy
<b>EA Summary</b>	EA for a Housing Birmingham Partnership Strategy
<b>Reference Number</b>	EA002200
<b>Task Group Manager</b>	michael.walsh@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2017-07-07 00:00:00 +0100
<b>Senior Officer</b>	jacqui.kennedy@birmingham.gov.uk
<b>Quality Control Officer</b>	michelle.bache@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Policy.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### **What is the purpose of this Policy and expected outcomes?**

The strategy is intended to provide strategic direction for the Housing Birmingham Partnership

**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Children: A Safe And Secure City In Which To Learn And Grow	Yes
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**Comment:**

Identifies the importance of stable housing as a foundation for children to fulfil their potential

Health: Helping People Become More Physically Active And Well	Yes
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**Comment:**

Identifies the importance of decent housing for the health of residents in the city

Housing : To Meet The Needs Of All Current And Future Citizens	Yes
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**Comment:**

This is a housing strategy

Jobs And Skills: For An Enterprising, Innovative And Green City	Yes
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**Comment:**

Recognises importance of stable housing for maintaining employment. Links homeless recovery to assistance to access training and employment in order to sustain accommodation

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
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**Comment:**

Strategy will impact upon housing services delivered in the city with the aim of improving services for all citizens

Will the policy have an impact on employees?	Yes
--	-----

**Comment:**

Employees will be required to implement the proposals within the strategy. Also provides direction for services and employees.

Will the policy have an impact on wider community?	Yes
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**Comment:**

The strategy is intended to have a positive impact for a wide range of citizens in Birmingham with a housing need whether they are "service users" or not.

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Relevant	No
Disability	Relevant	No

Gender	Relevant	No
Gender Reassignment	Relevant	No
Marriage Civil Partnership	Relevant	No
Pregnancy And Maternity	Relevant	No
Race	Relevant	No
Religion or Belief	Relevant	No
Sexual Orientation	Relevant	No

## **2.4 Analysis on Initial Assessment**

This is a high level strategy setting out direction for providers and stakeholders. As such there are no direct equality impacts as a result of the approval of the strategy. Specific proposals contained within the strategy may however have an equality impact and would need to be subject to specific equality assessment at the point at which approval for implementation is sought.

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Concluding Statement on Full Assessment**

Full assessment is not required.

### **4 Review Date**

04/07/18

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.





## **HOUSING AND HOMES IN BIRMINGHAM**

**To promote independence, life skills and informed choices in accordance with the individual care plan and to enhance inclusion in the community. • Ensuring:**

- o Respect for Service Users right to choose and refuse assistance
- o Support for the Service User in making informed choices
- o The Service Users develop the ability to reach their full potential
- o Service Users are supported to maintain personal hygiene and appearance
- o Service Users are treated with respect at all times
- o A safe environment for chosen activities
- o Support is given to Service Users to manage their domestic and personal resources
- o Provision of specialised care to clients with specific needs according to your own skills and qualifications
- o There is a minimisation of risk to yourself and the Service User during emergency situations
- o Accidents or injuries are always reported, whether it be to yourself or the Service User.

**In accordance with Warrencare policy and procedure • To promote travel training, money management and independent life skills as required by the care plan. • To provide personal care where required which may involve assistance with; Continence requirements; Health and Medication requirements; Manual Handling; Eating and preparing meals; Handling personal possessions; finances and documents; entering the home, room, bathroom and toilet; shopping. • To facilitate ensuring personal care provision is in a safe and appropriate environment, where directed through the care plan. • To promote effective communication and relationships with Service Users and work colleagues and to be aware of communication differences and adopt an approach that minimises the effect of such differences. • To manage behaviours adhering to strategies and procedures set out for individuals within legislation • To maintain records (e.g. care plans) where necessary, ensuring these are wholly accurate, up-to-date and completed in a timely manner. • To complete SPR Forms for every support session attended and incident forms as and when required.**

**• To ensure confidentiality is maintained at all times, in keeping with the Data Protection Act (DPA) 1998 – ensuring that a Service Users personal details are not disclosed to any unauthorised person and all records are maintained within the DPA 1998 requirements. • To demonstrate understanding and awareness of WarrenCare’s Equal Opportunities Policy and be able to put this into practice in a working environment. • To contribute towards the protection of individuals from abuse, adhering to the Protection of Vulnerable Adults legislation • To attend any meetings in order to contribute to the effectiveness of support delivery. • To undertake any training required in order to perform the role more effectively, acknowledging any deficits in knowledge or practice, identifying training needs and formulating training plans with the direction of personnel**

## 1 WHAT MAKES A HOME

- |                         |                                 |                   |                        |                      |
|-------------------------|---------------------------------|-------------------|------------------------|----------------------|
| ○ Neighbours            | ○ Identity                      | ○ Refuge          | ○ Where the heart is   | ○ Space              |
| ○ Community             | ○ Personalised                  | ○ Peace and quiet | ○ Family               | ○ Facilities         |
| ○ Neighbourhood         | ○ Reflect culture               | ○ Shelter         | ○ People               | ○ Bills              |
| ○ Good neighbours       | ○ Suits those that live in it – | ○ Warmth          | ○ Friends              | ○ Washing up         |
| ○ Good local facilities | children, elderly, extended     | ○ Comfort         | ○ Emotional connection | ○ Maintenance        |
| ○ Not necessarily about | family...                       | ○ Calm            | ○ Welcoming            | ○ Responsibility     |
| what it looks like, but | ○ Different things to different | ○ Security        | ○ Laughter             | ○ Liability          |
| what's around it        | people                          | ○ Stability       | ○ Play                 | ○ Asset              |
| ○ Safe environment      | ○ Opportunity                   | ○ Safe            | ○ Recreation           | ○ Affordable –       |
| ○ Secure environment    | ○ Pride                         |                   | ○ Beer                 | upkeep               |
| ○ Condition and         | ○ Ownership                     |                   | ○ Wine                 | ○ Not detrimental to |
| environment             | ○ Stay as long as you want      |                   | ○ Cheese               | health               |
| ○ Community setting     | ○ Keeping your stuff            |                   | ○ Kitchen              | ○ Quality            |
| ○ Infrastructure –      | ○ Freedom                       |                   |                        |                      |
| schools                 | ○ A foundation                  |                   |                        |                      |
| ○ Infrastructure –      | ○ You can manage it             |                   |                        |                      |
| transport               | ○ It's mine                     |                   |                        |                      |
| ○ Something that        | ○ Security of tenure            |                   |                        |                      |
| delivers sense of       | ○ My space                      |                   |                        |                      |
| community               | ○ Sense of belonging            |                   |                        |                      |
|                         | ○ Where you want to live        |                   |                        |                      |

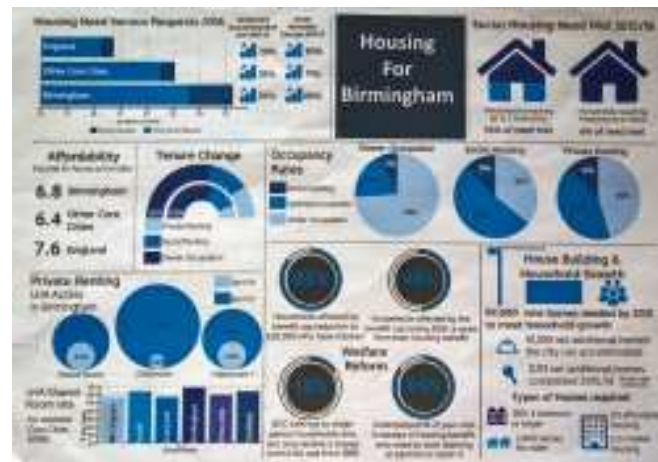


## 2 REFLECTIONS ON BIRMINGHAM INFOGRAPHICS

(HOUSING, ECONOMY, DEMOGRAPHICS, LIFE COURSE)

### OUR QUESTIONS

- What do you class as affordable?
- How do we release land for building?
- Why is the private rented sector increasing?
- How do we provide housing for younger people?
- How do we free up under occupied homes?
- Where is the under occupation?
- What is being done about vacant commercial stock?
- Are all methods of construction being considered?
- Can we manage demand differently?
- Can we meet demand differently?
- What about the quality of homes?
- How do we turn back time?



### 3 PRIORITY AREAS

#### A STRONG AND SUSTAINABLE COMMUNITIES

HEADLINE OUTCOMES	HEADLINE ACTIONS
<ul style="list-style-type: none"> <li>o Successful places for communities</li> </ul>	<ul style="list-style-type: none"> <li>o Identify appropriate leadership and coordination – not one size fits all</li> </ul>
<ul style="list-style-type: none"> <li>o Greater engagement and social capital</li> </ul>	<ul style="list-style-type: none"> <li>o Stimulating local action, activity and agency</li> </ul>
<ul style="list-style-type: none"> <li>o Engaged, strong and sustainable communities</li> </ul>	<ul style="list-style-type: none"> <li>o Agencies come together around commitment to clean and safe environment</li> </ul>
OTHER OUTCOMES	OTHER ACTIONS
<ul style="list-style-type: none"> <li>o Core expectations but different environments</li> <li>o Social and physical infrastructure</li> <li>o Cohesiveness</li> <li>o Giving back, friendly, connected</li> </ul>	<ul style="list-style-type: none"> <li>o Place making not house building</li> <li>o Who ensures the success of neighbourhoods?</li> <li>o Community outreach events</li> <li>o Student volunteering</li> <li>o Place managers not planners</li> </ul>

#### MISCELLANEOUS OTHER

How can communities influence their neighbourhoods?  
Encouraging new voices in communities

Volunteering brings community together  
Good relations with neighbours  
Community outreach events  
Social activity  
Student volunteering in community

Ownership and control of social/ rented housing by tenants

What does a safe and secure home look like in different communities

Location that works for me at my time of life  
Life journey of housing need  
Alternative offer for young people – lower rents  
Deconversion of HMOs to family homes

Connectivity and access

Review lettings policy  
Intervention needed in mono tenure estates  
Tackle poor tenants and quality of life  
Pool resources to pay and manage  
Who is best placed to manage estates/ communal space?  
(Council) place managers  
Who leads in ensuring the success of neighbourhoods – some need this  
Design of built environment affects community – mixed neighbourhood and properties  
New policies on pay to stay act against stable communities  
  
Homes are homes – tenure blind?  
Shared outcomes in communities irrespective of tenure

Communities need social infrastructure, transport, schools etc  
Targeted resources to school to improve  
Where the box is located – safe and secure – location most important

Pet friendly parks  
Garden villages approach

Can the clock be turned back in, eg Selly Oak?  
Core expectation but different in its application

Negative perceptions of some communities

## INSPIRATIONS

Homebaked CLT Liverpool – Community ownership and early stage engagement  
Alexandra Road Housing Estate, Camden  
Castle Vale LHA  
Retirement villages  
Witton Lodge

## B BETTER HOMES

HEADLINE OUTCOMES	HEADLINE ACTIONS
<ul style="list-style-type: none"> <li>Higher standard of existing stock as well as new build – increased pride in properties and improved tenant maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Increased and consistent regulation across the housing sector</li> </ul>
<ul style="list-style-type: none"> <li>Matching homes to needs</li> </ul>	<ul style="list-style-type: none"> <li>More research into demographics in terms of needs and aspirations for housing</li> </ul>
<ul style="list-style-type: none"> <li>Better community in locations and infrastructure to improve perceptions and areas and therefore improve homes</li> </ul>	<ul style="list-style-type: none"> <li>Students volunteering in the community to not only benefit locals, but also improve employability of those students</li> <li>More volunteering opportunities for students within the community</li> <li>Infrastructure before building community and housing</li> </ul>
OTHER OUTCOMES	OTHER ACTIONS
<ul style="list-style-type: none"> <li>Improved quality of private rented property – esp students</li> <li>Better use of/ more stock</li> <li>Better community/ location is key to a better home – but also needs to be affordable</li> <li>Good design</li> </ul>	<ul style="list-style-type: none"> <li>Consistent Birmingham minimum standards</li> <li>Licensing scheme for better regulation</li> <li>Recycling underused stock for alternative client groups</li> <li>Ease restrictions on size of house</li> <li>Focus on environment</li> <li>Fair subsidy for all renters</li> <li>Incentives for people to invest in their homes</li> <li>Community caretakers – not single tenure – also help elderly owner occupiers and service for private landlords</li> </ul>

MISCELLANEOUS OTHER



Encouraging academic institutions to help fund better regulation

Improved and regulated housing

Consider minimum standards

Improved regulation of estate agents

Minimum quality and re-let standards – all sectors

Enable more custom and self-build

What do we mean – quality/ affordable etc...

Better regardless of sector

Enhancing management key

Neighbourhood caretaking schemes

More than just physical

Links to 'strong and sustainable communities'

Invest in good design

Linking design to how people choose to live

Future proofing new properties

Recycling under used stock – eg Cat 2 for alternative client groups

## INSPIRATIONS

- Manchester landlord accreditation regulation scheme

## C DRIVING HOUSING GROWTH

HEADLINE OUTCOMES	HEADLINE ACTIONS
<ul style="list-style-type: none"> <li>○ Land supply</li> </ul>	<ul style="list-style-type: none"> <li>○ Unlocking</li> <li>○ Remediation</li> <li>○ Landbanking – CPO</li> <li>○ Challenging what can't be built on</li> </ul>
<ul style="list-style-type: none"> <li>○ Best use of available assets</li> </ul>	<ul style="list-style-type: none"> <li>○ Acceleration</li> <li>○ Force the market</li> <li>○ Densification/ regeneration</li> </ul>
<ul style="list-style-type: none"> <li>○ Ensuring skills, labour, materials, access to long term finance</li> </ul>	<ul style="list-style-type: none"> <li>○ System build</li> <li>○ Longer term programmes</li> <li>○ Procurement</li> </ul>
OTHER OUTCOMES	OTHER ACTIONS
<ul style="list-style-type: none"> <li>○ Land reform</li> <li>○ Market intervention</li> </ul>	<ul style="list-style-type: none"> <li>○ Use existing CPO powers fully</li> <li>○ Land remediation and pump priming</li> <li>○ Use the WMCA to free up land</li> <li>○ Encourage smaller builders</li> <li>○ Promote supported lodgings – target under occupied properties</li> <li>○ Building upwards</li> </ul>

### MISCELLANEOUS OTHER

Coop approach  
 Encourage smaller developers  
 Community land trusts  
 Community led housing  
 Self and custom build

Sites with planning permission must be developed  
 More land needs to be released  
 Speed up delivery by removing empty properties  
 Land reform  
 CPO (land and houses)



Encourage smaller builders to acquire land – social enterprise  
RSLs acquiring land as a consortium

Financial levers to release land?

Market intervention

Pump prime development

Internal investment

Providing benefits for renovation for more density in current areas

Housing delivery is based on shareholder returns

Trade off quality and quantity – energy efficiency? affordability?

Skills and labour shortages

Allow housing associations and developers to build in Birmingham

Genuine growth

Better build

Planners too prescriptive

Overlay all housing stock in the city

75% of people don't want housebuilder products

Freeing up more land from developers

Land supply coordination – all asset holders

Land supply register

Empty homes and commercial

Build in back gardens

Green belt

Density

Better use of existing

Land remediation

Other local authorities (outside Birmingham)

Combined authority

Duty to cooperate (other LA areas)

## INSPIRATIONS

- Custom/ self-build – Holland
- Berlin model (LA options all land)
- Coventry – subsidy

## D HOUSING CHOICE

HEADLINE OUTCOMES	HEADLINE ACTIONS
<ul style="list-style-type: none"> <li>○ A range of flexible pathways that encompass the housing options to stable housing</li> </ul>	<ul style="list-style-type: none"> <li>○ Develop pathways, explore models, supported lodgings</li> </ul>
<ul style="list-style-type: none"> <li>○ Housing accepted and seen as a home</li> </ul>	<ul style="list-style-type: none"> <li>○ Address the tension and opportunity between housing as both a right and a privilege</li> </ul>
<ul style="list-style-type: none"> <li>○ Mobility across tenures</li> </ul>	
OTHER OUTCOMES	OTHER ACTIONS
<ul style="list-style-type: none"> <li>○ More flexible pathways to appropriate housing – especially for under 30s and older residents</li> </ul>	<ul style="list-style-type: none"> <li>○ Review LHA rate</li> <li>○ Custom build</li> <li>○ More choice for elderly in owner occupation</li> <li>○ Explore the emerging models of community owned housing to bring a new option and opportunities</li> </ul>

### MISCELLANEOUS OTHER

Options for community led community owned housing – tenure neutral

New forms of ownership

More pathways to different housing

Diversity of provision in each community

Increase awareness of choices

Managed expectations

Choice or need – is there a dichotomy?

Can everyone have housing choice?

Rights and responsibilities

Break away from the silos of private rent/ social/ home ownership  
Use partnership: LA and private rented sector to provide homes

Choice is location, not just property

Limited range of products for younger and older people

Get an appropriate LHA rate for Birmingham to meet need  
Uniform rate for housing subsidy for rent on all sectors  
Better institutional investment for PRS

Using properties smarter



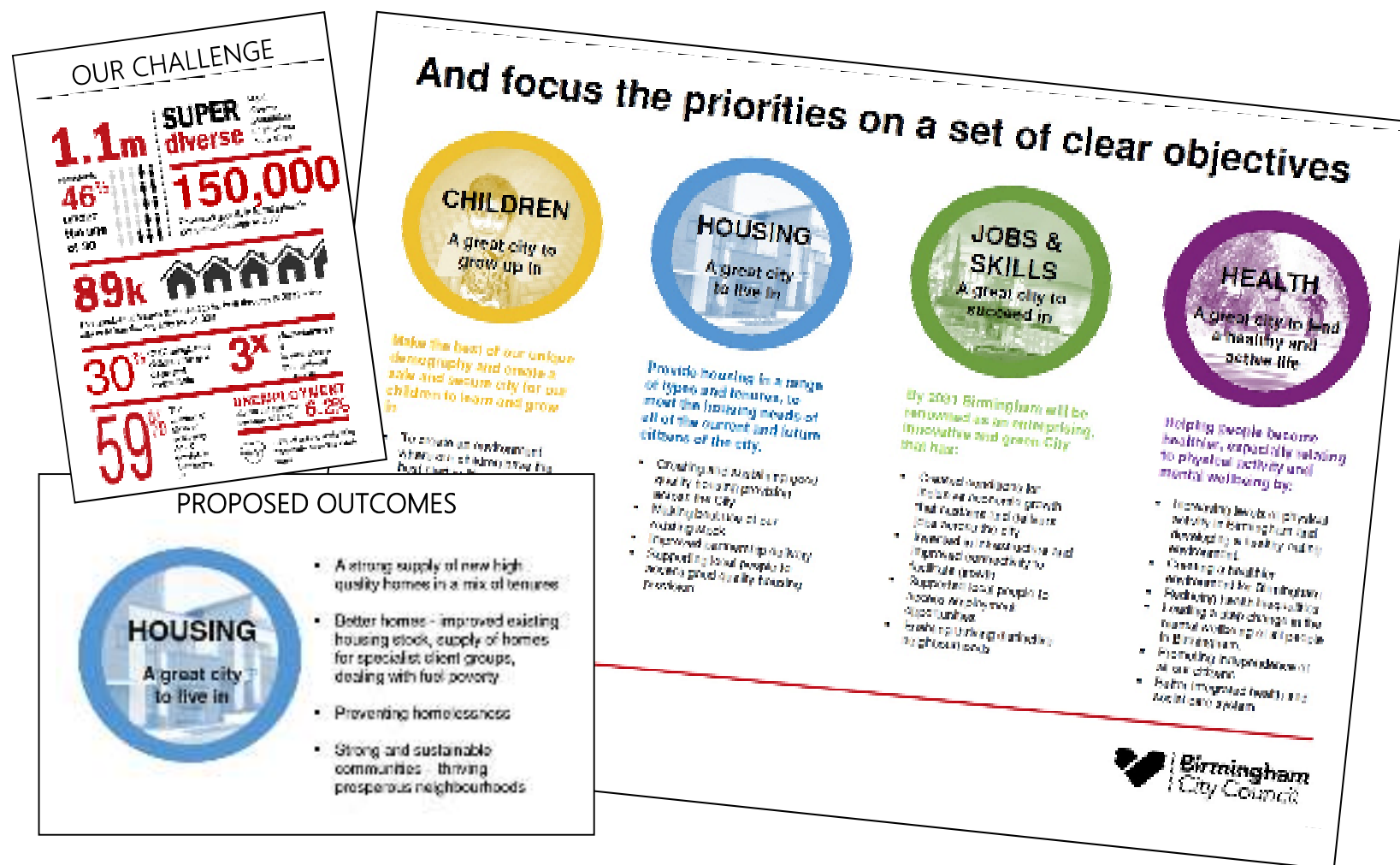
## 1 WHAT MAKES A GREAT NEIGHBOURHOOD



- |  |                            |  |
|--|----------------------------|--|
| o People                                     | o Security                 | o Clean                                      |
| o Community cohesion                         | o Safe                     | o Green                                      |
| o Community                                  | o Feel safe                | o Peace and quiet                            |
| o Community spirit                           | o Safety                   | o Good environment                           |
| o Neighbourliness                            | o Feel it's a safe place   | o Green space                                |
| o Supportive neighbours                      | o Secure                   |  |
| o Good neighbours                            |                            | o Pride                                      |
| o Nice neighbours                            | o Local facilities         | o Inclusive                                  |
| o Look out for each other                    | o Transport                | o Sharing                                    |
| o Having each other's back... but to a point | o Safe walk to local shops | o Belonging                                  |
| o Involvement                                | o Good infrastructure      | o Want to be there                           |
| o Active residents able to have say in area  | o Accessible               | o Energy                                     |
|  | o Things to do             | o Support people to help themselves          |
|  | o Food                     | o Productive - put in more than you take out |
|  | o Good housing             | o Vibrant                                    |
|  | o Looked after properties  |  |
|  | o Built environment        |  |

## 2 OUR VISION FOR HOUSING IN BIRMINGHAM - CHALLENGE, PRIORITIES AND OUTCOMES

Councillor Trickett set the context for the workshop by setting out the key elements of Birmingham's challenge and emerging vision



### 3 DISCUSSIONS AND PROPOSALS

Groups formed around issues that people felt passionate about, in the context of the overall vision for housing and homes in Birmingham – A Great City to Live In, and the questions:

- o What new, innovative or existing ideas can help make Birmingham a great city to live in?
- o How do we really listen and engage with people to help us make Birmingham a great city to live in?

#### STOP BUDGET CUTS AND IDENTIFY NEW FORMS OF FUNDING

New Sources of Funding:

- o Pension funds
- o Community bonds
- o More/ efficient charges for services
- o Recovery of legal costs



#### REDUCE ROUGH SLEEPING

- o Engagement – how do we engage with people who don't want to engage with us?
- o Shelter mentors – using their stories to shape our services
- o Direct conversation – listening to their stories
- o Definition?
- o Why?
- o Rough sleeping/ begging
- o Whole system approach
- o Other city successes
- o Learning from other areas
- o Home first and wrap around
- o Making best use of empty properties – being more imaginative
- o Leeds – Canopy and Latch – work with homeless people to do up empty homes
- o Homeless people could caretake empty properties
- o Alternative giving scheme – getting the message out to people
- o Helping homeless people with pets find accommodation

# HOW DO WE MOVE FROM SUPERFICIALITY TO DELIVERY

## LAND

- o Available but not liberated
- o Quality
- o Quantity
- o Ability to assemble (scale)
- o Small parcels for community-led housing
- o 10% of public land could meet housing need

## AGREED:

Shortage of housing land makes Birmingham an expensive place to build

- Build on other public land
- Out of Birmingham
- Grey
- High densities
- Conversion
- Empty homes
- New models
- Liberate small sites
- Assembly of land

## FINANCE

- o Land costs due to availability
- o Use of surplus?
- o Shared resources
- o Collaborative approaches
- o Joint investment
- o Lack of coherent strategy ?? competition – pushes up land prices

## SKILLS

- o Pipeline of skills required
- o Brexit???
- o Apprenticeships
- o Training, BBS, BYP, youth promise
- o Use of data and analysis - share

## WILLINGNESS

- o Who is best placed to assemble and build?
- o Self interest
- o Wider public interest – all – not just Council
- o Perception is that BCC wants to build itself
- o Is size a benefit or barrier?

## EMPTY HOMES

- o Community Infrastructure Levy difficulties
- o 5000 private sector
- o Registered providers?
- o Birmingham City Council?
- o Quantify
- o Investment
- o Use? – change of
- o CPO powers
- o Capacity of team
- o Empty Homes Tsar
- o Investment?





GET BACK INTO THE COMMUNITY / CREATING EFFECTIVE COMMUNITY LEADERS / 'THIRD WAY' – COMMUNITY DEVELOPMENT/ ENGAGEMENT  
INSPIRE AND ENABLE COMMUNITY LED HOUSING / CLEAN STREETS EVERYWHERE

- Identify issues
- Explore funding to improve neighbourhoods
- Use of innovation fund
- Do things differently to show impact
- Have pride in the area and take ownership
- Street Champions
- Creating clean and cared for streets encourages people to take care of their own gardens and properties
- Look wider for good practice



ACTION

- Washwood Heath Partnership – suggests a way forward. Community based meeting already planned for 6/10/16 – involving:
  - Resident groups, police, fire, place manager, HLB, schools, faith leaders, community groups, housing associations, councillors, local traders...

ENGAGING WITH YOUNG PEOPLE / HOUSING FOR YOUNG PEOPLE

- Volunteering – give young people rewards (points/ food/ rent)
- Utilise the same ideas for prospective council tenants/ benefit recipients
- Reduce cost of living for students – less need for part-time work, more time for volunteering
- Young people need to be asked specific questions rather than invited to participate
- Apprenticeships – young council tenants
- Community – bringing people together at local festivals



INNOVATION – HS2 - ATTRACT YOUNG PEOPLE TO STAY IN OUR CITY

INNOVATION – TRAM NETWORK – JOBS AND GROWTH

HOW DO WE BECOME A CITY WITH THE LARGEST NUMBER OF NEW COMMUNITY START-UPS

Explore how we:

- Create larger number of community housing start ups
- Housing innovation lab
- Explore European models of self-build community led development
- Increase density
- Modular housing
- City's land portfolio – a new approach

LOCAL INVESTMENT IN REGENERATING COMMUNITIES TO CREATE EMPLOYMENT OPPORTUNITIES

- Create partnership with developers, Has and social investors for longer term investment in City/ priority areas
- Create local jobs/ training to deliver development
- Inward investment model for services to businesses
- Community investment funding
- Invest to reduce housing costs – e.g. heating/ energy
- Create flexible building spaces

ACTIONS:

- Source investors
- Build agreement on what investment should produce
- Approach LEs
- Dialogue with WMCA
- Pilot approach in selected localities



SOME FURTHER ISSUES/ QUESTIONS RAISED BUT NOT ADDRESSED AT THIS WORKSHOP

- How do we create a vision for Birmingham that learns from other great cities
- Zero carbon housing
- Good citizenship – pride in the city: taking ownership of the city, not just your own home
- Recognition that not everyone is 'nuclear' – most people aren't
- Build a system that anyone can understand – and in plain English
- Can we give these questions about listening to schools – pupils, teachers, parents
- Citizen investment bond
- How can the City Council open up and form genuine delivery partnerships
- Utilise unused council building in a park for a community hub to tackle health and wellbeing issues
- How I get a family of 9 living in a one bedroom house somewhere that the kids can grow, learn and live in a way that respects others... which doesn't have damp, be broken and which can be paid for by universal credit
- Is failure an option?
- Inclusivity of refugees and migrants

#### 4 NEXT STEPS

- Talk to people – all out! – find out what people in communities think and feel, and what other ideas they have
- Reference group to work up vision and strategy. Offers of participation to Jacqui
- Challenge our norms (if you do what you've always done, you get what you've always had)
- Barriers – remove them (be a ladder, not a snake)
- Self interest – set aside?
- This is just a start – we will create and encourage ongoing dialogue (including digital) – and all participants to date will be included
- Extend involvement (a problem shared is a problem halved)
- We are a young city – we must find ways to involve young people in this process



<b>Report to:</b>	<b>Cabinet</b>
<b>Report of:</b>	<b>Corporate Director, Economy</b>
<b>Date of Decision:</b>	<b>25<sup>th</sup> July 2017</b>
<b>SUBJECT:</b>	<b>DISPOSAL OF 55 HOLLOWAY HEAD, (LEE BANK HOUSE), BIRMINGHAM,</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003249/2017</b>
<b>If not in the Forward Plan: (please "tick" box)</b>	<b>Chief Executive Approved <input type="checkbox"/></b> <b>O &amp; S Approved <input type="checkbox"/></b>
<b>Relevant Cabinet Member:</b>	<b>Councillor John Clancy - Leader of the Council</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Mohammed Aikhlaq, Corporate Resources Overview and Scrutiny Committee</b>
<b>Wards affected:</b>	<b>Ladywood</b>

# 1. Purpose of report:

- 1.1 To note the outcome of an informal tender for the long leasehold sale of 55 Holloway Head, Birmingham. The subject property is shown edged black on the attached plan as Appendix 1 extending to 0.72 acres/0.29 hectares.
- 1.2 To note the use of a surplus property asset to generate inward investment contributing to the councils key business priorities and objectives. An accompanying Private report provides commercially confidential information regarding the transaction.

# 2. Decision(s) recommended:

Cabinet are recommended to;

- 2.1 Approve the leasehold sale of 55 Holloway Head (Lee Bank House).

# Lead Contact Officer:

**Telephone No**

**Email address**

Lucy Berry, Senior Valuer  
0121 303 3777  
lucy.berry@birmingham.gov.uk

### 3. Consultation

#### 3.1 Internal

The property was declared surplus in a report to Cabinet in March 2015 entitled Commercial Investment Portfolio.

- 3.1.1 The report has been considered and cleared by the Property Assets Board at its June 2017 meeting.
- 3.1.2 The relevant Ward Members (Ladywood) have been consulted and no adverse comments have been received to the reports content. The detail of this consultation is set out in Appendix 3 of this report.
- 3.1.3 Officers from Legal and Democratic Services and City Finance and other relevant officers from the Economy Directorate have been involved in the preparation of this report and approve this report going forward.

#### 3.2 External

No external consultation has taken place regarding the content of this report.

### 4. Compliance Issues:

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

- 4.1.1 The development of new homes for a growing city is a key objective of the Council Business Plan and Budget 2017+. The development of new housing within the City is in accordance with a number of the Council's key priorities, including:
- 4.1.2 **Fairness** to tackle inequality and deprivation, promote social cohesion across all communities in Birmingham ensuring dignity, in the quality of making judgments that are free from discrimination.
- 4.1.3 In disposing of this site by informal tender there has been a full open marketing exercise undertaken, providing an opportunity to all interested parties to express their interest and submit offers to acquire the land.
- 4.1.4 **Prosperity** - to lay the foundations for a prosperous City, built on an inclusive economy - The sale of the surplus property will bring a currently underutilised property back into beneficial use providing property development and business opportunities to individuals and groups, and new homes which will contribute to the improved prosperity within the Birmingham and wider regional economy.
- 4.1.5 **Democracy** - to involve local people and communities in the future of their local area and their Public Services – The decision has been taken with full Ward member consultation and approval.
- 4.1.6 The proposal also contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2017+', specifically to help deliver a balanced budget and contribute to the Councils plan to rationalise its property portfolio as part of its asset management programme.

#### **4.2     Financial Implications**

- 4.2.1     The disposal of this surplus asset will generate capital receipts for the Council to help support the Council Financial Plan 2017+, and contribute to key business priorities.
- 4.2.2     Compensation is required to be paid to the remaining tenants in the property in order to provide vacant possession. The compensation costs are based upon a statutory formula under the provisions of the Landlord and Tenant Act 1954. These costs will be met by the purchaser.

#### **4.3     Legal Implications**

The power to acquire, dispose and manage assets in land and property is contained in Section 120 and 123 of the Local Government Act 1972.

#### **4.4     Public Sector Equality Duty**

- 4.4.1     An Equality Analysis (EA) Ref No.002128. dated the 14/06/2017 is attached as Appendix 2 to this report.  
The assessment confirms that there is no adverse impact and that a full Equality Assessment is not required for the purpose of this report.

### **5.     Relevant background/chronology of key events:**

- 5.1     The subject property is shown edged black on the enclosed plan as Appendix 1, occupying a site of 0.72 acres/0.29 hectares.
- 5.2     The property at 55 Holloway Head (also known as Lee Bank House) comprises a former 'flatted factory' at the junction of Holloway Head, Bulcher Street and Chapmans Passage.
- 5.3     Lee Bank House is held within the Council's commercial portfolio, however the market position and demand for this type of accommodation has declined in recent years. The building requires a significant amount of investment to modernise it and there is not a viable business case for the Council to support the level of investment required.
- 5.4     A decision was made by Cabinet on 16<sup>th</sup> March 2015 to declare the property surplus and offer it for sale on the open unrestricted market.
- 5.5     The property was marketed between August 2016 and February 2017 with a Two Stage Informal Tender Process.
- 5.6     A detailed tender report confirming the outcome of the tender process is appended to the Private Report, as Appendix 2.

### **6.     Evaluation of alternative option(s):**

- 6.1     Not to proceed would mean not realising a capital receipt
- 6.2     Additionally the Council would retain the maintenance liability of a property no longer fit for purpose.

**7. Reasons for Decision(s):**

- 7.2 The disposal will generate a capital receipt that can be reinvested by the Council.
- 7.3 The sale and subsequent redevelopment of the property will ensure that an under-utilised asset will be brought back into beneficial use for the delivery of residential/mixed use development.

**Signatures**

		<u>Date</u>
Cllr John Clancy Leader of the Council	.....	.....
Waheed Nazir Corporate Director, Economy	.....	.....

**List of Background Documents used to compile this Report:**

Commercial Investment Portfolio; Cabinet Report March 2015

**List of Appendices accompanying this Report (if any):**

1. Appendix 1 – Site Plan
2. Appendix 2—Equality Analysis
3. Appendix 3 – Ward Member Consultation

<b>Report Version</b>	2	<b>Dated</b>	June 2017
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# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Sale Of 55 Holloway Head (Lee Bank Business Centre)
<b>Directorate</b>	Economy
<b>Service Area</b>	Economy - Birmingham Property Services
<b>Type</b>	New/Proposed Function
<b>EA Summary</b>	To note the outcome of an informal tender for the sale of 55 Holloway Head and the use of a surplus property asset to generate investment in homes in order to address and meet the Council objectives.
<b>Reference Number</b>	EA002128
<b>Task Group Manager</b>	felicia.saunders@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2017-06-14 00:00:00 +0100
<b>Senior Officer</b>	eden.ottley@birmingham.gov.uk
<b>Quality Control Officer</b>	eden.ottley@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Function.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### **What is the purpose of this Function and expected outcomes?**

To approve the sale of 55 Holloway Head (known as Lee Bank Business Centre) by way of a new 250 year lease.

**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Children: A Safe And Secure City In Which To Learn And Grow	Yes
Health: Helping People Become More Physically Active And Well	Yes
Housing : To Meet The Needs Of All Current And Future Citizens	Yes
Jobs And Skills: For An Enterprising, Innovative And Green City	Yes

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	No
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	Yes

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Not Relevant	No
Disability	Not Relevant	No
Gender	Not Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Not Relevant	No
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

### 2.4 Analysis on Initial Assessment

The disposal will generate a capital receipt which can be reinvested by the City. The sale and subsequent redevelopment of the property will ensure an under-utilised property will be brought back into beneficial use for the delivery of housing.

Members and Senior Officers have been consulted on this disposal and are supportive of the recommendation.

The property is surplus to the Council's needs and in bringing forward to market will enable the delivery of new housing on a brownfield site in the heart of the city centre, with affordable housing provision or contributions considered as part of the planning process.

The development of new housing within the City is in accordance with the Council's key priorities and objectives. At this stage the disposal has been undertaken on an open market basis with all members of the community provided

with an opportunity to procure 55 Holloway Head. The intended use upon disposal will require further analysis to identify any future impact.

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Concluding Statement on Full Assessment**

Senior Officers from Birmingham Property Services, Legal and City Finance and the Economy Directorate have been consulted and involved in the preparation of this report and approve this going forward. Ladywood Ward Members have also been consulted and no adverse comments were raised.

The disposal will generate a capital receipt which can be reinvested by the City. The sale and subsequent redevelopment of the property will ensure an under-utilised property will be brought back into beneficial use for the delivery of housing.

The proposal also contributes towards the strategic outcomes outlined in the 'Council Business Plan and Budget 2017+', specifically to help deliver a balanced budget and contribute to the Council's plan to rationalise its property portfolio as part of its asset management programme.

The property has subsequently been offered for sale on the open unrestricted market.

There has been ongoing consultation with members of their respective constituency and planning officers who have as representation been consulted on issues of relevance.

There have been no issues raised or identified which impact the wider community negatively, therefore a full equality assessment is not required at this stage.

### **4 Review Date**

06/12/17

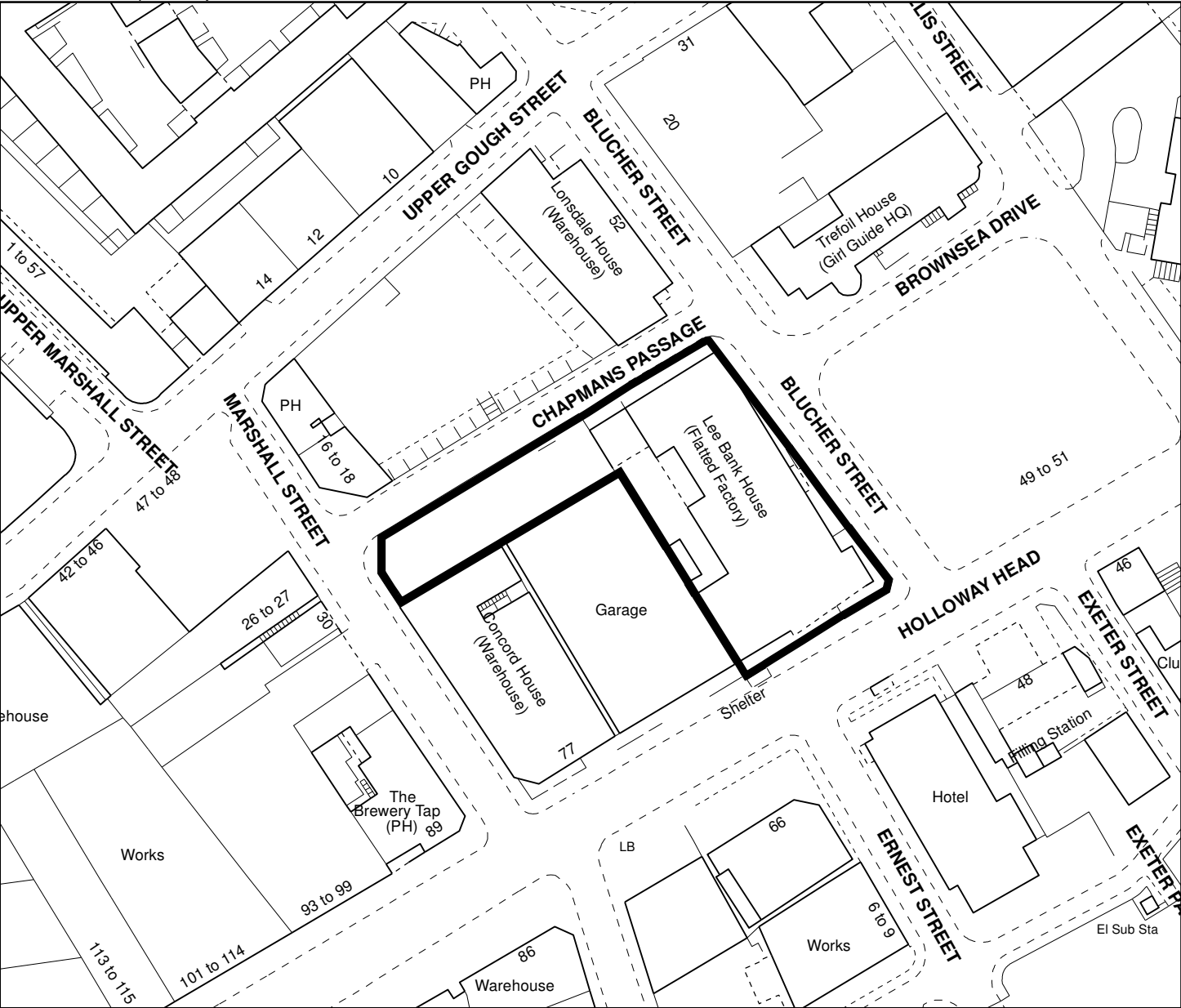
### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.

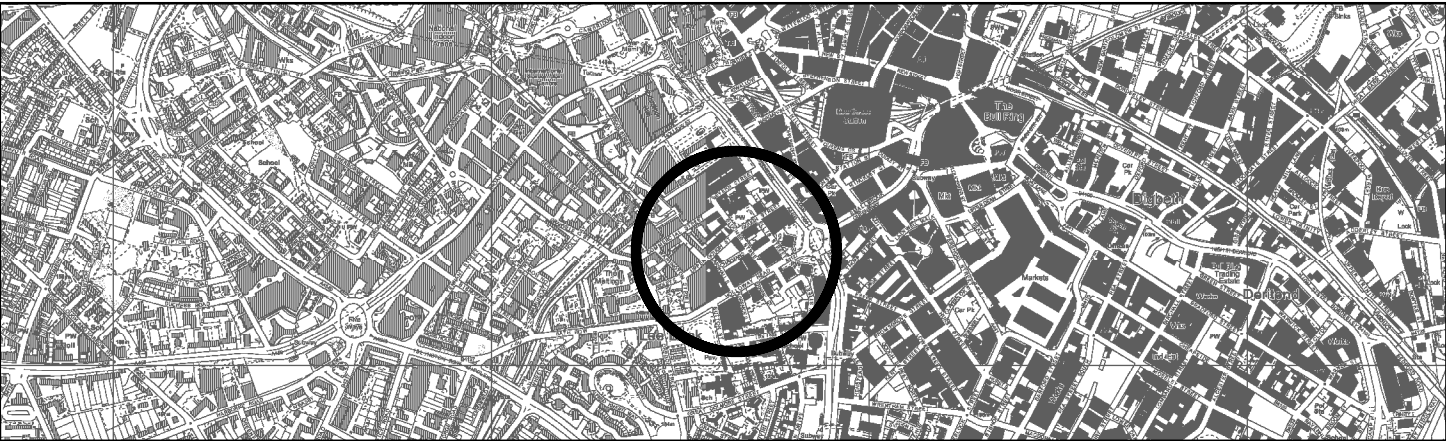
### APPENDIX 3 – CONSULTATION RESPONSES FOR SALE OF 55 HOLLOWAY HEAD, BIRMINGHAM



<b>Stakeholder</b>	<b>Ward</b>	<b>Site</b>	<b>Response to consultation via email on required by 30th June 2017</b>
Councillor A Bore Councillor K Hartley Councillor C Rice	Ladywood	55 Holloway Head, (Lee Bank House).	Email to confirm 'no issues with the report' Email to confirm,' happy to proceed with the report' No reply as of 4.7.17





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 <b>Birmingham</b> City Council		Waheed Nazir Corporate Director, Economy 1 Lancaster Circus Birmingham B2 2GL		
Lee Bank House 55 Holloway Head Ladywood		Scale (Main Map)	Drawn	Date
		1:1,250	Bharat Patel	17/05/2017
		OS Ref No. SP0686SE		





<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Interim Corporate Director, Adult Social Care and Health and Interim Corporate Director, Children and Young People</b>
<b>Date of Decision:</b>	<b>25<sup>th</sup> July 2017</b>
<b>SUBJECT:</b>	<b>REPLACEMENT SOCIAL CARE IT SYSTEM (CHILDREN'S AND ADULTS') FULL BUSINESS CASE</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 003904/2017</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Relevant Executive Member:</b>	Cllr Ian Ward - Deputy Leader Cllr Brigid Jones - Children, Families & Schools Cllr Paulette Hamilton - Health and Social Care Cllr Majid Mahmood - Value for Money and Efficiency
<b>Relevant O&amp;S Chairman:</b>	Cllr Mohammed Aikhlaq - Corporate Resources & Governance Cllr Susan Barnett - Schools, Children & Families Cllr John Cotton – Health, Wellbeing and the Environment
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To seek approval of the Full Business Case (Appendix 1) to replace the Council's Social Care IT system at an estimated total cost of £4.87m.</p> <p>1.2 To seek approval to place orders with Service Birmingham to progress the project implementation. The proposed contract is planned to commence from September 2017 for an initial period of five years with the option to extend the Hosting, Licensing and Support for a further four years, subject to satisfactory performance and budget availability.</p> <p>1.3 The accompanying private report contains confidential details of the contract award outcome.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:</p> <p>2.1 Notes the content of the report.</p>

<b>Lead Contact Officer(s):</b>	<p>Alastair Gibbons Executive Director for Children's Services</p> <p>Graeme Betts Interim Corporate Director, Adult Social Care and Health</p>
<b>Telephone No's: Email Addresses:</b>	<p>Tel: 0121 675 7743 Email: <a href="mailto:alastair.gibbons@birmingham.gov.uk">alastair.gibbons@birmingham.gov.uk</a></p> <p>Tel: 0121 303 9548 Email: <a href="mailto:Graeme.Betts@birmingham.gov.uk">Graeme.Betts@birmingham.gov.uk</a></p>

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>3.1.1 Extensive internal engagement has been completed as part of the Business Requirements Capture and Solution Selection exercise as follows:</p> <ul style="list-style-type: none"> <li>• 64 Requirements workshops held</li> <li>• 34 Business Areas involved</li> <li>• 160+ people included.</li> <li>• 70+ People invited to attend the Demonstrations</li> <li>• CareFirst User Group attendance</li> <li>• ICT User Group consulted</li> </ul> <p>3.1.2 The Chief Information Officer and officers from City Finance, Legal and Governance, Procurement, ICF and Social Care Operational Colleagues have been involved in the preparation of this report.</p> <p>3.2. <u>External</u></p> <p>3.2.1 During the Requirements Gathering and Supplier Selection Process considerable engagement took place with other Local Authorities.</p>

<b>4. Compliance Issues:</b>
<p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>4.1.1 This proposal supports the following Vision and Forward Plan priorities:</p> <ul style="list-style-type: none"> <li>• Children – Birmingham is a great city to grow up in</li> <li>• Health – Birmingham is a great city to grow old in</li> </ul> <p>This will be by ensuring the continuity and continued improvement in Social Care delivery through the following;</p> <ul style="list-style-type: none"> <li>• Efficient modern ICT systems enabling social workers to spend more time with people and families</li> </ul>

- User friendly system removing the administrative burden of the present system.
- Process automation and simplification
- Improved management information to enable more effective management of the Social Care Process
- Removal of duplication
- Retention of social workers

The replacement of the existing Social Care IT System is in line with the Future Council outcomes and the Information, Communication, Technology & Digital Strategy 2016 – 2021, approved by Cabinet in October 2016.

#### 4.1.2 Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) Including Living Wage Requirements

The preferred bidder of the new social care ICT system has agreed to be a signatory to the Birmingham Business Charter for Social Responsibility and has provided a draft action plan that is commensurate to the value and nature of the contract. The Action Plan will be finalised as part of the contract negotiations.

#### 4.2 Financial Implications

4.2.1 The total costs associated with the development and implementation of the new Social Care ICT system is estimated at £4.87m (£3.55m capital and £1.32m revenue). These costs are within the overall resource parameters reported in the Project Definition Document that was approved by Cabinet on 22 March 2016. The Adult Social Care & Health and Children's Directorates have approved capital resources and revenue budgets sufficient to fund the total costs of this proposed scheme. Further details are provided in the Private report.

4.2.2 The ongoing revenue costs associated with operational support and maintenance will be marginally less (circa £4K) than currently incurred for CareFirst and funding for these costs exists within approved budgets. Specific financial benefits are not the primary driver of this project which is to ensure the continuity of the Social Care Service and enable improvement of these services. The delivery of the project should however help enable long term savings in the operational teams through increased efficiency, which cannot be quantified at this time.

#### 4.3 Legal Implications

##### 4.3.1 Legal Compliance

The new system will facilitate the Council to discharge a range of statutory functions and will be required to be compliant or support compliance with the wide range of legislation applicable to Social Care and Information Management including the following:

Children Act 1989	Carers and Disabled Children Act 2000 and Carers (Equal Opportunities) Act 2004
Education Act 2002	Data Protection Act 1998
Sexual Offences Act 2003	Equality Act 2010, Parts 2, 3 and 11
Adoption and Children Act 2002	
Homelessness Act 2002	Human Rights Act 1998
Children Act 2004	Mental Capacity Act 2005
Criminal Justice and Immigration Act 2008	Welfare Reform Act 2009 – Part 2
Borders, Citizenship and Immigration Act 2009	Care Act 2014
Children and Families Act 2014	Mental Health Act 1983
Computer Misuse Act 1990	Mental Health Act 2007

This list is not intended to be exhaustive and simply identifies the key legislation we are responsible for implementing.

#### 4.3.2 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

The definition of requirements held by Service Birmingham included how this project will contribute to achieving the Council's priorities and improve the economic, social and environmental well-being of the relevant area as follows:

- Service Birmingham mandated BBC4SR through its supply chain as part of its obligation to adhere the Charter.
- Specific Social Responsibility Requirements were included in the Tender Documentation including the submission of Social Responsibility Plans which were evaluated by Corporate Procurement. These draft plans will be developed as part of the contract negotiations to ensure that the plans are commensurate to the value and nature of the contract.

#### 4.3.3 TUPE does not apply.

#### 4.4 Public Sector Equality Duty

##### 4.4.1 Implementing a new system should not adversely impact on any citizen of Birmingham. Public Sector Equality Duty was part of the business requirement specifications for the procurement.

The initial equality impact assessment has been reviewed and updated to determine any impact of this proposed procurement on those within the protected categories. This will be further updated as the Programme progresses. The updated assessment is attached at Appendix 2.

The new system will have the ability to allow Citizens access to their information and to self-serve online (i.e. digital by preference). As not all citizens will have the capability to use online services for themselves, assistance will continue to be provided in these cases.

## **5. Relevant background/chronology of key events:**

### **5.1 The Need For Change**

Continued and sustained improvement in Children's and Adults' Social Care is dependent on a replacement ICT solution. Our professional workforce needs an ICT system that is accessible, workable and secure. It is critical that the opportunity is taken to reduce the burden on practitioners by ensuring that the ICT system is fit for purpose.

This proposal is a key part in supporting the Social Care Improvement agenda for Children's Services resulting from external scrutiny over the last 6 years rating the service as inadequate. There has been continued Government attention over this period of time.

There is also the opportunity to consolidate a number of existing systems (for example e-records) into the one new system improving the user experience.

The current primary Social Care ICT system is called CareFirst and is provided by OLM. CareFirst is hosted and supported by Service Birmingham and has been used in Birmingham since circa 1999. It uses outdated technology, is difficult to report from and inhibits good social work practice.

The system is used by about 4,000 staff and holds information about more than 25,000 people where the Adults and Children's Directorates are currently involved. It also contains historic information relating to 684,000 people who have been connected to the use of care services over the years. In addition it manages in excess of 20 million payment and 5 million income financial transactions per annum.

OLM are now focussing the majority of their development effort into a replacement system which was released in March 2016. For Birmingham this means the current system will only adapt to support statutory requirements and other minor developments effectively ensuring its demise. This is an opportunity to procure an effective and responsive child and family welfare ICT system. The new system will be more aligned with the practice needs of our social workers and will enable technology and innovation to better support practice, not drive the business.

An end of support date has not been provided by OLM however this situation presents a growing risk to ongoing support in the future, however, OLM have committed to providing continued support the current CareFirst System for the duration of our transition to a new system.

### **5.2 Options and Recommended Approach**

The Project Definition Document (options appraisal) for this project considered the following possible routes for replacement;

- Do nothing and continue with the existing CareFirst System
- Implement OLM's replacement product – Eclipse
- Develop a new ground up bespoke solution
- Partner with another local authority and use their Social Care System
- Configure and develop a SAP based solution
- Go to market to select an off the shelf solution

Cabinet in March 2016 approved a recommendation to go to market using the Service Birmingham procurement process. This would select a solution and yield the optimum functionality and value for money that can be provided by market leading vendor solutions. More information about the procurement process is shown in the Full Business Case.

### 5.3 Outcomes Sought

- i. Better delivery of service to the citizens of Birmingham to improve lives
- ii. Move from Child focussed to family / network based focussed recording & Case analysis
  - a. Families and relationships – Improved safety planning
  - b. Better decisions, more quickly and more responsive interventions
  - c. More children safely left at home.
  - d. Identification of geographical clustering e.g. alleged offenders or collective needs within Children's homes.
  - e. Better handling of out of hours incidents due to improved information.
  - f. Consistent plans and reviews with a single record of a child and family
  - g. Social workers (Children's) spending less time on computers and more time with families.
- iii. Improved efficiency in Children's and Adults' Services
- iii. Increased staff satisfaction and improved staff retention.
- iv. Continuity and future proofing of the critical underpinning ICT service
- vi. Integrated document management in the new solution
- vii. A system to retain historical data will still be required.
- viii. Improved data quality, communication and sharing of financial and customer data.
- ix. Avoidance of reputational damage and penalties due to a failure to properly discharge statutory duties.
- x. Compliance with legislative requirements/changes \*

\* Whilst the City Council will require that a replacement system complies with relevant legislation (i.e. what is enacted in a Bill or even proposed in a consultation paper), the City Council will by the operation of a change clause ensure that any other changes due to legislation following service commencement are implemented. The costs associated with these requirements will be approved by the relevant decision maker at the appropriate time.

### 5.4 Project Scope

The three main scope areas are;

- Children's Social Care including Early help
- Adults' Social Care
- Finance

It will involve the handling and transferring of records associated with 684,000 people and the training and upskilling of circa 4,000 officers as users of the system.

CareFirst is integrated into a range of other systems including SAP Voyager Finance, Matrix Micro-procurement, e-records, Adults' Needs and Finance assessment Web portals. The new solution will incorporate these capabilities or integrate with the existing systems.

A high level view of the overall scope of work to be completed is;

#### Implementation Stage

- i. Detailed technical architecture and design (including business, application, data and security). (Design how all aspects will work together in detail)
- ii. Reports to meet statutory and organisational requirements (develop necessary regular reports required to enable effective ongoing management of the service and provide statutory returns)
- iii. Implementation of the preferred supplier's solutions and integrations, Children's first followed by Adults' (technical implementation of the system)
- iv. Migrate data from CareFirst and e-records to the new solutions (an iterative process to transfer the data successfully) including data cleansing activities
- v. Design and implement changed business processes
- vi. Communications and Training
- vii. Migrate Users to the new system and bring it into operational use
- viii. Final acceptance sign-off of the replacement System.
- ix. Decommission CareFirst and other systems no longer required

#### 5.5 Procurement Approach

Per the approved report at Cabinet in March 2016, the recommended procurement route was:

Stage	Recommendation
Specialist Project Support	Direct recruitment on short term contracts (with Technical BA support from SB on requirements to avoid later due diligence costs).
Procurement and implementation <ul style="list-style-type: none"><li>• Social Care System</li><li>• Archive System</li></ul>	Use of JVA with Service Birmingham
Associated works with rollout within the City Council and training	Direct recruitment on short term contracts
Ongoing Contract Management	Use of JVA with Service Birmingham

This process has been followed diligently with the support of Procurement and ICF Colleagues. Audit has actively been involved in the process throughout.

#### 5.6 Evaluation Approach

A Pre-Qualification Questionnaire (PQQ) evaluated the bidders against the following criteria:

- An evaluation of the bidder suitability, experience and qualifications as well as the organisational structure and infrastructure proposed by the bidder to provide the service;
- A commercial evaluation on the extent to which the bidder is in a position not to increase or transfer commercial risk to Service Birmingham.

As part of the assessment criteria the Bidders were asked to confirm that they met 18 core system requirements. In response to the PQQ, 4 submissions were received. All four bidders were assessed by Council Officers and Service Birmingham as being suitable to proceed to Request for Proposal (RFP).

In January 2017 the Request for Proposal was issued to all four bidders and they each responded.

Scoring of the RFP responses followed the following process:

- Individuals scoring the requirements relating to their business areas.
- Scoring moderation sessions to identify a moderated score for all representatives of a particular functional area and documenting the justification.
- Demonstrations and the completion of questionnaires. Over 70 people attended the demonstrations. Representatives of the CareFirst User Group and the ICT User Group were both invited.

During the Demonstrations Cycle, Bidder 3 requested an extension. When the other bidders were consulted on the proposal they declined the opportunity for an extension. As a result Bidder 3 formally withdrew from the process, leaving three possible solutions.

The final stage in the process was to request a Best and Final Offer (BAFO) to ensure that the pricing was as competitive as possible.

As a result of this process one bidder is recommended as the Preferred Bidder. Further details of the evaluation and preferred bidder are included in the Private Report.

The contract and delivery of the project will be managed by the Head of Directorate IT for Adults and Children's.

## 5.7 Implementation Programme Timescales

Given the complexity of the implementation work, a staged implementation is being planned.

The delivery of the whole implementation including any necessary archive solution is anticipated to take circa 2.5 years. The table below shows the indicative timescales. Implementation timescales will become clearer once a detailed joint plan has been drawn up between the Service Birmingham, the supplier and the City Council.

Over this duration change to the ICT estate is possible, the project will be part of the wider ICT & Digital strategy that will be managed through common governance to ensure any dependencies or potential conflicts are taken into account.



Stage	Early view of Completion Timescales
Cabinet Approval of the PDD	Mar 2016 - Complete
Requirements / Specification	Autumn/Winter 2016 – Complete
Procurement process	Winter 2016/Spring 2017 – Complete
Full Business Case Approval and appointment of Service Provider	Summer 2017
Overall and integration Design	Autumn/Winter 2017
Implementation, training, migration and transition (Children's)	Summer 2018
Implementation, training, migration and transition (Children's Finance)	Winter 2018/Spring 2019
Implementation, training, migration and transition (Adults')	Winter 2018/Spring 2019
Implementation, training, migration and transition (Adults' Finance)	Summer/Autumn 2019
De-commission CareFirst	Winter 2019

## 5.8 Resources

Temporary resources for the City Council required to implement the project will be recruited using standard City Council recruitment procedures making use of fixed term contract employees and agency people as appropriate to the role.

## **6. Evaluation of alternative option(s):**

- 6.1 A number of options were considered in the previous Cabinet report with a decision made to go to market to purchase a new system. Having tendered for a solution and come to a conclusion that the best has been selected, the procurement process has further informed and confirmed that going to market was the correct way forward.

<b>7. Reasons for Decision(s):</b>
7.1 To inform members that:
7.1.1 The Procurement Process has been completed and a Preferred Bidder has been identified, as per the process set out in the Project Definition Document approved by Cabinet in March 2016.
7.1.2 We are seeking approval of the Full Business Case, Award of Contract and commencement of implementation.

<b>Signatures</b>	<b><u>Date</u></b>
<b>Councillor Ian Ward</b> <b>Deputy Leader</b> .....	.....
<b>Councillor Brigid Jones</b> <b>Cabinet Member Children,</b> <b>Families and Schools</b> .....	.....
<b>Councillor Paulette Hamilton</b> <b>Cabinet Member Health and</b> <b>Social Care</b> .....	.....
<b>Councillor Majid Mahmood</b> <b>Cabinet Member Value for</b> <b>Money and Efficiency</b> .....	.....
<b>Graeme Betts</b> <b>Interim Corporate Director,</b> <b>Adult Social Care and Health</b> .....	.....
<b>Colin Diamond - Interim</b> <b>Corporate Director Children and</b> <b>Young People</b> .....	.....

<b>List of Background Documents used to compile this Report:</b>
Replacement Social Care IT system Project Definition Document – Cabinet 22nd March 2016.
Financial Plan 2017+ -February 2017 Council
SB Schedule of Requirements - v1.0 25/1/2017

<b>List of Appendices accompanying this Report (if any):</b>
Appendix 1 – Full Business Case
Appendix 2 – Equality Impact Assessment

<b>Report Version 07</b>	<b>Dated 13/7/2017</b>
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Full Business Case (FBC) REPLACEMENT SOCIAL CARE IT SYSTEM (CHILDREN'S AND ADULTS')			
1. General Information			
Directorate	Adults Social Care and Health Children and Young People	Portfolio/Committee	Adult Social Care and Health and Children and Young People
Project Title	CareFirst Replacement Programme	Project Code	
Project Description	<p><u>Context and Background</u></p> <p>The Children's Social Care service is currently under Improvement Notice and has been rated inadequate over the last 6 years. It is subject to regular OFSTED inspections that are being undertaken to ensure the Authority is improving its process to maintain the safety of its citizens. Coupled with this there is a growing demand on the services with an 11% increase in the number of referrals to Children's Services and an increase in the number of children going through the fostering and adoption process (Community care (2014) and Children in Care in England : Statistics 2015).</p> <p>With regard to Adults' social care, the number of people 85 and over (group most likely to need care) has increased by 30% between 2005 and 2014. (Age UK Care in Crisis 2014) and this trend is continuing.</p> <p>Lord Warner who was appointed by the Department for Education as the Independent Commissioner for Children's Services concluded that "Inadequate admin support has led to a waste of SW skills on clerical work and BCC must review, integrate and upgrade its various dysfunctional IT systems currently used for SW case management" (Lord Warner 2014).</p> <p>Professor Julian Le Grand, a government-appointed social care expert, pointed out in his review of Birmingham Children's social services that referral figures are far too low for such a large city. (Julian LeGrand 2014).</p> <p>The challenge faced by the Children's and Adults Directorates is further compounded by an ICT system CareFirst which is now over 15 years old. Ofsted (Ofsted inspection of services for children 2014) were critical of the current systems and operation at Birmingham which is used by approximately 4,000 staff and holds information on more than 25,000 people where the Children's and Adults Directorates are currently involved. It also contains historic information relating to 684,000 people who have been connected to the use of care services over the years. In addition it manages in excess of 20 million payment and 5 million income financial transactions per annum.</p> <p>There are also a number of additional ICT systems in the department which require management and support, resulting in a significant resource overhead, increased error rates and inefficiency. This impacts the department's capability to deliver the outcomes required by both Adults' and Children's services. The systems concerned are listed under scope below.</p> <p>Continued and sustained improvement in Children's Social Care provision is necessary in order to improve the Ofsted rating and improvement in Children's' Social Care provision is needed to provide a better service to the citizens of Birmingham. Our professional workforce needs an ICT system that is accessible, workable and secure. It is critical that the opportunity is taken to reduce the burden on practitioners by ensuring that the ICT systems are fit for purpose. A new solution will enable direct improvement in Social Care delivery, reduce the administrative</p>		

	<p>burden on Social Workers and allow more time to be spent doing social work with people and families. This will be achieved through;</p> <ul style="list-style-type: none"> <li>• The introduction of workflow processes and simplified form management</li> <li>• Simplified business processes enabled by the new system</li> <li>• Input of data only once – removal of duplication</li> <li>• Removal of the need for workarounds</li> <li>• The integration or replacement of home grown localised systems and spreadsheets into the one new system where possible</li> <li>• Provide additional functionality and facilities such as recording the voice of the child.</li> <li>• The reduction of infrastructure, application and information assets</li> <li>• An integrated and more secure system</li> </ul> <p>The new system is envisaged to provide the platform for the future of social care in Birmingham providing the following improvements in addition to those above:</p> <ul style="list-style-type: none"> <li>• Integrated document management</li> <li>• Online access for citizens to complete their own assessments</li> <li>• Partnership working with other agencies such as health, police and third sector (current or future potential)</li> <li>• A single source of social care data</li> <li>• In-built reporting</li> <li>• More flexible and agile ways for Social Care Staff to access the system when mobile.</li> <li>• Improved management and business information capabilities</li> <li>• Cost reduction as a result of system supplier hosting and supporting the solution rather than BCC.</li> </ul> <p>The plan is to Implement Children's and Children's Finance elements followed by Adults' and Adults Finance. Each phase will see the entirety of the relevant service area began using the new system on the same day and cease using the legacy system. However, CareFirst will continue to be used by the remainder of the users until their phase completes. This will mean that we will be running the two support and licensing contracts in parallel.</p> <p><u>Development Funding</u></p> <p>As part of the Project Definition Document Cabinet approved £0.481m of funding to commence the development of the Full Business Case. At the culmination of this phase it is confirmed that £0.265m has been spent on the development of the Full Business Case, as follows:</p> <table> <tr> <td>£69,048</td><td>Internal Resource</td></tr> <tr> <td>£95,657</td><td>Service Birmingham Requirements Documentation</td></tr> <tr> <td>£100,396</td><td>Service Birmingham Procurement Exercise</td></tr> </table>	£69,048	Internal Resource	£95,657	Service Birmingham Requirements Documentation	£100,396	Service Birmingham Procurement Exercise
£69,048	Internal Resource						
£95,657	Service Birmingham Requirements Documentation						
£100,396	Service Birmingham Procurement Exercise						

£384 Facilities

### Options Appraisal

The Options Appraisal for this project considered the following possible routes for replacement;

- Do nothing and continue with the existing CareFirst System
- Implement OLM's replacement product – Eclipse
- Develop a new ground up bespoke solution
- Partner with another local authority and use their Social Care System
- Configure and develop a SAP based solution
- Go to market to select an off the shelf solution

Cabinet agreed in March 2016 that going to market via Service Birmingham to select a solution was the recommended approach, as this would yield the optimum functionality and value for money that can be provided by market leading vendor solutions.

Service Birmingham (SB) worked with Birmingham City Council to document the requirements for the basis of the procurement of the new system. During the requirements process there were:

64 Requirements workshops held;  
34 Business Areas involved;  
160+ people included;

We also sought feedback from the CareFirst User Group and the ICT User Groups, both of which collect feedback from frontline workers.

Each requirement was prioritised against the criteria in the following table:

Categorisation of Requirement	Description
M	Mandatory – the Solution must fulfil the Requirement in full and failure to do so is grounds for immediate exclusion.
C	Critical – the functionality required must be currently provided by the Solution however that functionality may not be provided exactly as stated.
I	Important – such Requirements should be met immediately by the Solution or in the next release/upgrade version of the Solution. Failure to meet the majority of Important Requirements would render the Solution unacceptable.
D	Desirable – it is preferred that the Solution meets such a Requirement however if a Requirement is not currently provided by the Solution, the Bidder shall indicate if future enhancements are planned to meet the Requirement.

Information about the procurement process is provided in the procurement section below.

### Benefits and Outcome Monitoring

	<p>The three main reasons for replacing CareFirst, Social Care Case Management System, are as follows:</p> <ol style="list-style-type: none"> <li>1. Regulatory Body, OFSTED, have advised that we need to upgrade our IT systems as part of our commitment to improving our Social Care provision.  Lord Warner who was appointed by the Department for Education as the Independent Commissioner for Children's Services concluded that "Inadequate admin support has led to a waste of SW skills on clerical work and BCC must review, integrate and upgrade its various dysfunctional IT systems currently used for SW case management" (Lord Warner 2014).</li> <li>2. OLM, our incumbent supplier, have advised that the CareFirst System is 'End of Life' and they will only be making regulatory changes going forward as they are releasing a new product. This means that the system will not be able to support the transformation required to meet the Operational Targets within Children's and Adults Social Care. The Code Base will no longer be advanced functionally.</li> <li>3. The current system is now 16 years old and is on an outdated technology platform. We are no longer able to configure the system to meet the needs of the Service Areas. Both Children's and Adults require a large amount of transformation in order to meet the needs of their Service Users and their Budget requirements.</li> </ol> <p><u>The main benefits of implementing a new system are therefore as follows:</u></p> <ol style="list-style-type: none"> <li>1. Compliance with OFSTED guidance - Continued and sustained improvement in Children's Social Care provision is necessary in order to improve the Ofsted rating and improvement in Children's Social Care provision is needed to provide a better service to the citizens of Birmingham. The new system will be critical to the success of Children's Social Care.</li> <li>2. Utilising a system that is fully supported and built on modern technology will ensure that the system supports social work practice. This will provide benefits to both Children's and Adults Social Care and will ensure that the Service Areas are able to meet their regulatory, transformation and budgetary objectives.</li> <li>3. The system, built on a modern technology platform, and configured to Social Work Best Practice will ensure that the technology supports excellent outcomes for vulnerable people, both Children's and Adults.</li> </ol> <p>In addition to the above benefits, the selected system will also enable direct improvement in Social Care delivery, reduce the administrative burden on Social Workers and allow more time to be spent doing social work with people and families. A précis of the improvement includes;</p> <ul style="list-style-type: none"> <li>• Improved and simplified workflow processes and forms</li> <li>• Removal of duplication of effort.</li> <li>• Consolidation of multiple systems, processes and workarounds.</li> <li>• Provide additional facilities such as recording the voice of the child – a key requirement that the present system cannot do.</li> </ul>
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The selected system will provide a platform for the future of social care in Birmingham providing or enabling the future provision of the following key capabilities :

- Online access for citizens to complete their own assessments.
- Partnership working with other agencies such as health, police and third sector
- More ways for Social Care Staff to access the system when mobile.
- Reduced management and support overheads

This system will also encompass a number of other existing systems due to the range of available functionality on offer. Future inclusion of associated systems will be the subject to separate projects and are outside the scope of this project.

The benefits and outcomes will be measured as part of the overall programme and the Programme Board will have responsibility for monitoring this going forward.

#### Cost Profile

The indicative costs in the PDD were as follows:

- £3.5-5m Capital
- £750K one-off revenue

Ongoing costs within those currently supporting CareFirst.

The currently estimated total implementation costs are as follows:

#### **Budget Summary (detailed workings are shown in the private report)**

	2016/17	2017/18	2018/19	2019/20	Total
	£'001	£'000	£'000	£'000	£'000
<b>Expenditure</b>					
<b>Development to FBC - Revenue</b>	117	148			265
<b>Implementation Costs</b>					
Capital		1,030	1,880	635	3,545
Revenue		303	436	319	1,058
<b>Total costs</b>	<b>117</b>	<b>1,481</b>	<b>2,316</b>	<b>954</b>	<b>4,868</b>
<b>Funding</b>					
Children's & Young People - Capital receipts		690	1,260	425	2,375
Adult Social Care & Health - Capital grants		340	620	210	1,170

<b>Total capital funding</b>	<b>0</b>	<b>1,030</b>	<b>1,880</b>	<b>635</b>	<b>3,545</b>
Children's & Young People - Approved Revenue Budgets	78	302	292	214	<b>886</b>
Adult Social Care & Health - Approved Revenue Budgets	39	149	144	105	<b>437</b>
<b>Total revenue funding</b>	<b>117</b>	<b>451</b>	<b>436</b>	<b>319</b>	<b>1,323</b>
<b>Total Funding</b>	<b>117</b>	<b>1,481</b>	<b>2,316</b>	<b>954</b>	<b>4,868</b>

- Ongoing costs within those currently supporting CareFirst – There will be a slight reduction of £4k per annum to cover the removal of the hardware associated with managing CareFirst.

#### Value for Money

Actions taken to ensure that the solution provides best value for money:

- Other Local Authorities were contacted to understand their costs for similar implementations.
- Notification of the tender was to the whole market via the CCS Framework and Find it in Birmingham (FiiB).
- All Bidders evaluated against Quality and Cost measures as agreed by the Programme Board
- Service Birmingham included Best and Final Offer (BAFO) stage in the Procurement Process to ensure best price
- Preferred Bidder demonstrates adequate functionality whilst offering the most competitive price.

#### Risk Mitigation

The following risk was identified during the Options Appraisal stage and was fully mitigated and is now closed:

Risk Identified	Mitigation
Procurement process managed ineffectively as managed by SB outside of direct BCC control. The process may be insufficiently transparent to ensure a successful outcome.	<ul style="list-style-type: none"> <li>➤ BCC Procurement and Audit colleagues have been involved with the Procurement Process throughout.</li> <li>➤ Programme Board have approved all Procurement Documentation</li> <li>➤ BCC have been fully represented in scoring activities</li> <li>➤ All Bidder Submissions including costs have been shared by Service Birmingham with the Programme Board on request.</li> </ul>



	The detailed Risk Register relating to the Project Implementation can be found in Appendix A.
	<u>Key Milestones</u>
	Given the complexity of the implementation work, a staged implementation is being planned.
	The delivery of the whole implementation including any necessary archive solution is anticipated to take circa 2.5 years. The following are indicative timescales. Implementation timescales will become clearer once a detailed joint plan has been drawn up between the Supplier, Service Birmingham and BCC.
	Over this duration change to the ICT estate is possible, the project will be part of a wider ICT & Digital strategy that will be managed through common governance to ensure any dependencies or potential conflicts are taken into account.

<b>Service Outcomes</b>	<ul style="list-style-type: none"> <li>Children – Birmingham is a great city to grow up in</li> <li>Health – Birmingham is a great city to grow old in</li> </ul> <p>This will be by ensuring the continuity and continued improvement in Social Care delivery through the following;</p> <ul style="list-style-type: none"> <li>Efficient modern ICT systems enabling social workers to spend more time with people and families</li> <li>User friendly system removing the administrative burden of the present system.</li> <li>Process automation and simplification</li> <li>Improved management information to enable more effective management of the Social Care Process</li> <li>Removal of duplication</li> <li>Retention of social workers</li> <li>Improved data sharing</li> <li>Reduced duplication</li> <li>Improved data quality</li> <li>Improve Social Care Budget Management</li> </ul> <p>The replacement of the existing Social Care IT System is in line with the Future Council outcomes and the Information, Communication, Technology &amp; Digital Strategy 2016 - 2021.</p>		
<b>Project Definition Document Approved by</b>	Cabinet	<b>Date of Approval</b>	March 2016
<b>Benefits Quantification-Impact on Outcomes</b>	<b>Measure</b>		<b>Impact</b>
	Positive OFSTED Feedback	Compliance with OFSTED guidance regarding system upgrade. Continued and sustained improvement in Children's Social Care provision is necessary in order to improve the Ofsted rating and improvement in Children's Social Care provision is needed to provide a better service to the citizens of Birmingham. The new system will be critical to the OFSTED compliance and therefore improvement in OFSTED Feedback.	
	Improved Workflow Processes as detailed in the Project Plan – To Enable Social Work Practice Transformation through the implementation of a system that can respond to the necessary changes now and in the future.		The system, built on a modern technology platform, and configured to Social Work Best Practice will ensure that the technology supports excellent outcomes for vulnerable people, both Children and Adults. This will provide benefits to both Children's and Adults Social Care and will ensure that the Service Areas are able to meet their regulatory, transformation and budgetary objectives.

<b>Project Deliverables</b>	<p><u>Strategic Outcomes</u></p> <p>To implement an integrated social care and finance system consolidating a number of case management and finance systems into a single solution that complies with the Care Act, Statutory requirements and Ofsted recommendations.</p> <p>The primary system will enable the administration of Adults' and Children's social care and finance processes within a single solution that is robust, flexible, and intuitive to the user. It will provide an opportunity for Birmingham City Council to integrate with 3<sup>rd</sup> party partners and systems in order to improve data sharing, reduce duplication and improve data quality. This will allow care workers to spend more time working with and supporting citizens in need of social care services. Additionally the solution will improve social care budget management and enable teams to generate real time data on current versus planned spend.</p> <p>CareFirst is integrated into a range of other systems including SAP Voyager Finance, Micro-procurement (Adam previously known as Matrix), e-records, Adults' Needs and Finance assessment web portals. The new solution will either incorporate and take over these capabilities or integrate with the existing systems as indicated above.</p> <p>The main deliverables are as follows;</p> <p><u>Implementation Stage</u></p> <ol style="list-style-type: none"> <li>Detailed level design (business, application, technology, data and security) to enable integration with necessary adjacent systems.</li> <li>To implement the preferred supplier's solutions and integrations, two parts of the project are expected to run one after the other – Children's first followed by Adults'. This will include both the main system and archive solution. The Children's Finance Module implementation will run concurrently with the Adult's Implementation. The Adults Finance Module will be implemented last.</li> <li>To migrate required existing data from CareFirst and e-records to the preferred supplier's solutions.</li> <li>To design and implement changed business processes.</li> <li>To design and provide user training to support new the business processes and systems.</li> <li>Migration to the new system and the Service transition to bring the new system into use.</li> <li>To securely archive, delete and or destroy the data held within the existing CareFirst system once it has migrated to the preferred solution and decommission CareFirst.</li> </ol>
<b>Scope</b>	<p>The new solution will replace CareFirst in its entirety.</p> <p>Additional services, that must be supported by the solution and operate across both Adults' and Children's services include:</p> <ul style="list-style-type: none"> <li>Professional Support Services (PSS) function – providing administration support to practitioners</li> <li>Commissioning – procurement of placements and support for people in care*</li> <li>Finance – payments to suppliers of services provided by the department*</li> </ul> <p>(* either directly or through integration with other systems)</p> <p>The new solution is intended to include the functionality of the existing systems listed below either now or in future. The rationale for inclusion in immediate scope is based on the functionality available from the Preferred Bidder. In the case of inclusion in future scope it is</p>

	<p>based on a strategic need to ideally include it in future where inclusion now would significantly delay the delivery of the replacement of CareFirst.</p> <p>Included within immediate scope (where possible):</p> <ul style="list-style-type: none"> <li>• CareFirst - primary social care system</li> <li>• MyCare Financial Assessment Portal - Citizen online access for self-assessment</li> <li>• MyCare Needs Assessment Portal - Citizen online access for self-assessment</li> <li>• MyCare Adoption and Fostering Portal - online system to support A&amp;F process</li> <li>• Data warehouse and reporting capability (Sentinel / SAP Business objects / Crystal / Actuate / Excelsius) - management information and statutory returns</li> <li>• e-records (Documentum) – document management</li> <li>• CPIS Spine - NHS safeguarding</li> <li>• Fibonacci - document outputs from CareFirst</li> <li>• Locally Designed Webpages</li> <li>• Locally Developed Spreadsheets and Databases</li> <li>• MASH – multi agency safeguarding hub</li> <li>• CHARMS - old A&amp;F system</li> <li>• CASPAR - court services</li> <li>• GenoPro – genograms</li> <li>• Blind Partially Sighted Register</li> <li>• Core Records - old records systems prior to CareFirst</li> </ul> <p>Key Area for Future Scope Inclusion:</p> <ul style="list-style-type: none"> <li>• NHS Health Systems</li> </ul> <p>To integrate with:</p> <ul style="list-style-type: none"> <li>• SAP CRM - Customer Relationship Management</li> <li>• SAP Voyager - Finance</li> <li>• Data warehouse and reporting capability (Sentinel / SAP Business objects / Crystal / Actuate / Excelsius) (if not replaced) – Management information and statutory returns</li> <li>• Adam (previously known as Matrix / Sproc.net) or replacement – Adults’ micro-procurement</li> <li>• LLPG or national derivative - Address gazetteer / validation</li> <li>• Rio, System one - Health systems</li> </ul>
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	<ul style="list-style-type: none"> <li>• CPIS Spine - NHS Safeguarding</li> <li>• Adults' data Warehouse (or successor) – Intelligence</li> <li>• ePEP - personal education plans – where LA Legal Guardian</li> <li>• Northgate Housing (future only)</li> <li>• Core BCC / SB services including; <ul style="list-style-type: none"> <li>➤ Active directory / security (x500 security services)</li> <li>➤ Messaging</li> <li>➤ Audit</li> <li>➤ Reporting / business intelligence</li> </ul> </li> <li>• Future integration into Government Digital Services</li> </ul> <p>The scope of the Programme has been ratified during the Requirements Gathering and Bidder Selection Process. No significant scope changes have been identified. Whilst there may be savings resulting from consolidation they are not the primary driver of the work.</p>
<b>Scope exclusions</b>	<p>As part of the Bidder Selection Process we asked Bidders to confirm whether the following scope areas would be included in their roadmap:</p> <ul style="list-style-type: none"> <li>• CareWorks RAISE - Youth Offending Service</li> <li>• Adam (previously known as Matrix Sproc.net) – Adults' micro procurement</li> <li>• Home Care Validation Monitoring Solution – home visit verification</li> <li>• Staffplan - Home Care monitoring and rostering</li> <li>• Impulse - Education</li> <li>• MCiB - My Care in Birmingham (QuickHeart)</li> <li>• Ask Sara - Signposting and provision portal (QuickHeart)</li> <li>• Insight - Careers Service</li> <li>• ePEP (Personal education plans – for children looked after by the Local Authority)</li> <li>• CCM – Children's Centre Manager - Children's centre admin</li> <li>• Escort Liaison - School transport</li> <li>• Perform - Education report sharing</li> </ul> <p>The value of exploring the roadmap view from vendors was to enable possible future projects to deliver further consolidation of systems. Whilst appropriate to include in the solution selection exercise any planning or deployment of future replacement of systems through consolidation would be the subject of future projects approvals and is out of scope of this project.</p> <p>Existing hardware will be able to run / access the proposed system. Any future requirement to</p>

	enable increased agile working with the new system (e.g. the use of new mobile devices such as tablets in place of laptops) would also be the subject of future project approvals and out of scope of this project.
<b>Procurement</b>	<p><b>Procurement Approach</b></p> <p>The Procurement Approach was detailed in the Project Definition Document and approved by Cabinet in March 2016.</p> <p>There were three procurement phases planned to ensure the successful procurement and implementation of the replacement social care IT systems, which are detailed below:</p> <ul style="list-style-type: none"> <li>• Specialist project support for the project management, scoping, solution requirements development and identifying training needs.</li> <li>• The procurement, implementation, ongoing support and maintenance of the new Social Care IT Systems</li> <li>• The associated works with rollout within BCC and training of the solution</li> </ul> <p>A summary of each phase is included below:</p> <p><b>Phase 1 - Specialist project support for the project management, scoping, solution requirements development and identifying training needs.</b></p> <ul style="list-style-type: none"> <li>• PM recruited on 12 Month Fixed Term Contract via External Recruitment Campaign. Contract now extended until 2019.</li> <li>• BA Resource purchased from Service Birmingham under JVA.</li> <li>• Detailed Training Needs Analysis moved to Implementation Phase, no resource required for the development of the FBC.</li> </ul> <p><b>Phase 2 - Procurement, Implementation, Ongoing Support and Maintenance</b></p> <p>This phase of the procurement was managed by Service Birmingham making use of the Joint Venture Agreement and Service Birmingham Procurement Process. Service Birmingham is not subject to OJEU process.</p> <p>The procurement documents including the Request for Proposal were jointly developed between Service Birmingham and the Council and included a Best and Final Offer (BAFO) stage to ensure best value for money could be obtained.</p> <p>The evaluation team comprised of Strategic Technical Lead Officer, BCC technical Subject matter experts, Project Manager, Key Children's and Adults Operational Representatives and Officers from Service Birmingham with support from the Assistant Procurement Manager, Corporate Procurement Services and Audit.</p> <p>For procurement assurance purposes Birmingham City Council Procurement Team worked closely with Service Birmingham and BCC Operational Teams to develop and define the evaluation criteria and process. The evaluation criteria also considered the quality / price balance which was developed as part of the requirements specification and procurement stages. The Operational teams were closely involved in the evaluation process.</p> <p><b>Procurement Activity Completed in Phase 2</b></p> <p>Service Birmingham issued a Pre-Qualification Questionnaire (PQQ) to Major Suppliers on the Government Framework for Social Care Systems and the PQQ was advertised on</p>

finditinbirmingham (FiiB). Four suppliers responded to the FiiB advert and were sent the PQQ.

One of the agreements from the Cabinet report in March 2016 was that SAP and OLM should be given the opportunity to respond to the tender as they are our incumbent suppliers. By advertising to the Framework and advertising it on finditinbirmingham both OLM and SAP, our existing system providers, were given the option to apply.

The PQQ evaluated the bidders against the following criteria:

- An evaluation of the bidder suitability, experience and qualifications as well as the organisational structure and infrastructure proposed by the bidder to provide the service;
- A commercial evaluation on the extent to which the bidder is in a position not to increase or transfer commercial risk to Service Birmingham.

As part of the assessment criteria we asked the Bidders to confirm that they met 18 core system requirements. In response to the PQQ we received 4 submissions. All four bidders were assessed by BCC and SB and were all approved to proceed to Request for Proposal (RFP).

We issued the RFP in January 2017 to all four bidders. The evaluation of tenders consisted of:

- A technical evaluation of each Response based on the extent to which the Bidder is in a position to provide the most appropriate solution to meet the Requirements;
- A financial evaluation of each Response based on the extent to which the Bidder is in a position to offer the most advantageous prices for its Solution;
- A commercial evaluation on the extent to which the Bidder is in a position not to increase or transfer commercial risk to Service Birmingham;
- An evaluation of the Bidder's suitability, experience and qualifications as well as the organisational structure and infrastructure proposed by the Bidder to provide the Solution;
- An evaluation of the Bidder's Solution following any demonstration or presentation given by the Bidder.

The weighting applied to the RFP scoring was, as follows:

- 40% Commercial
  - 80% Price
  - 20% Terms and Conditions
- 60% Quality
  - 50% Functional Requirements
  - 15% Demonstration
  - 15% Technical Requirements
  - 10% Non-Functional Requirements
  - 10% Implementation and Service Management

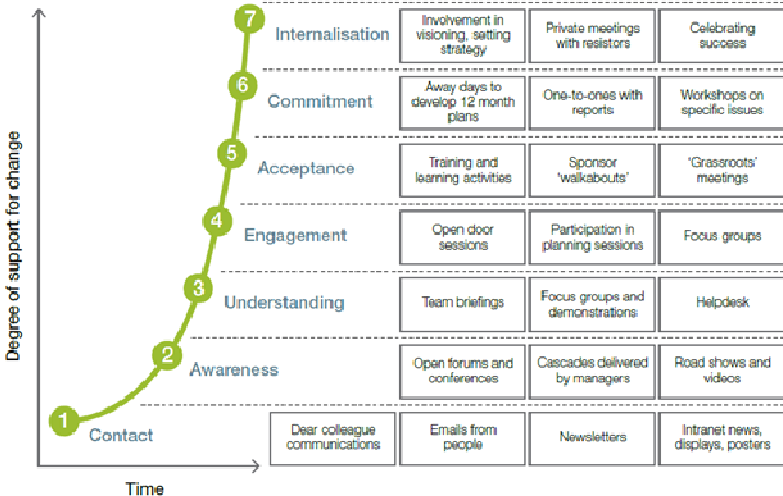
All four Bidders submitted a response to the RFP.

	<p>Scoring of the RFP responses followed the following process:</p> <ul style="list-style-type: none"> <li>• Individuals scoring the requirements relating to their business areas.</li> <li>• Scoring moderation sessions to identify a moderated score for all representatives of a particular functional area and documenting the justification.</li> <li>• Demonstrations and the completion of Questionnaires. Over 70 people attended the demonstrations. Representatives of the CareFirst User Group and the ICT User Group were both invited.</li> </ul> <p>During the Demonstrations Cycle, Supplier 3 requested an extension. When the other bidders were consulted on the proposal they declined the opportunity for an extension. As a result Supplier 3 formally withdrew from the process, leaving three possible solutions.</p> <p>Service Birmingham mandated BBC4SR through its supply chain as part of its obligation to the Social Responsibility Charter.</p> <p>Specific Social Value was included in the Tender Documentation through the requirement to submit acceptable Social Value Action Plans. These plans were evaluated by Corporate Procurement. The preferred supplier submitted a plan for the life of the contract, meeting this requirement which includes;</p> <ul style="list-style-type: none"> <li>• Paying the Living Wage to employees servicing Birmingham City Council Contracts</li> <li>• Advertising employment opportunities with the Employment Access Team</li> <li>• Paying all invoices within 30 days</li> <li>• Ensuring compliance with Environmental Management System (e.g. ISO14001)</li> <li>• Sponsoring the Social Work Awards and continuing to do so throughout the life of the contract</li> </ul> <p>The plan will be finalised as part of the contract negotiations to ensure it delivers the benefits required.</p> <p>During the process Service Birmingham also included a Best and Final Offer (BAFO) stage to ensure that the pricing was as competitive as possible.</p> <p>A detailed analysis of the results was completed and the Preferred Bidder was identified. During the BAFO Stage this Bidder had reduced their overall price by 17%. Following the decision a detailed risk assessment was completed and reviewed by the Programme Board and the decision made to formally announce the Preferred Bidder.</p> <p><b>Phase 3 - The associated works with rollout within BCC and training of the solution</b></p> <p>This is detailed in the Resource Plan submitted as part of the FBC Submission at Appendix C.</p>
<p><b>Dependencies on other projects or activities</b></p>	<p><b>Children's Trust Programme</b></p> <p>In May 2016 Birmingham City Council announced its intention to move towards a Children's Trust and at a later meeting secured council approval of Trust principles.</p> <p>In January Cabinet formally approved the move to the Children's Trust and recommended the model would be a Wholly Owned Company based on a Community Interest Company.</p> <p>Birmingham Children's Social Care will become a fully established Trust in April 2018, and prior</p>



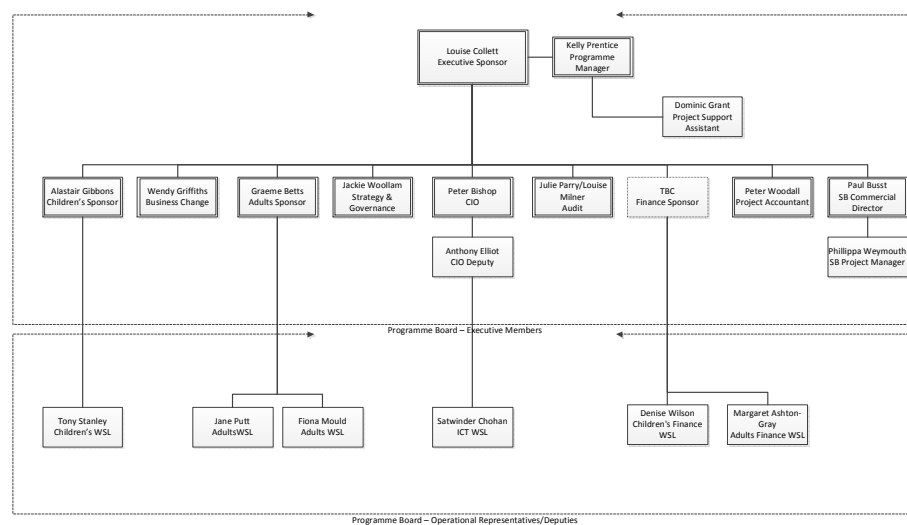
	<p>to this is a shadow Trust period running from April 2017- April 2018.</p> <p>As part of the implementation a number of changes will be required to the Operating Model and ICT provision. This could have an impact on the resource and timescales of the CareFirst Replacement Programme. We are linked into the Trust via the Programme Manager and the Governance Processes to ensure that any dependencies are managed. In addition the Children's Sponsor (Executive Director of Children's Services) sits on the Board for both Programmes.</p> <p>An agreement will be reached between Birmingham City Council and the Children's Trust on the budget and charging model which will include the requirement for this project.</p> <p><b>Future Council and Future Operating Model</b></p> <p>As part of the Council's Commitment to the Future Council Initiative the Council will be creating a Future Operating Model (FOM). The FOM aims to ensure the right supporting structures – and the required changes to support new ways of working – are put in place. It is not yet understood what impact the FOM will have the delivery of the CareFirst Replacement Programme as the detail of the FOM has not yet been released.</p> <p>The CareFirst Replacement Programme will continue to link into the Future Council Programme to ensure that the impacts, once know, can be managed/mitigated.</p> <p><b>Service Birmingham Contract Transition</b></p> <p>The council and Capita have jointly developed and agreed a new, more flexible four-year partnership proposal.</p> <p>The proposal will deliver £43 million of savings by 2020/21 - and better cater for the future needs of the council and its residents.</p> <p>Recommendations for a new, flexible partnership, which is focused on implementing the council's ICT &amp; Digital strategy 2016-2021, were noted at council Cabinet on 27 June. The council and Capita are now working together to move away from the current Joint Venture arrangement to a new type of partnership for the remainder of the contract, which will end in 2021.</p> <p>As part of the CareFirst replacement Programme we are working with Service Birmingham to ensure that the contract for the new system is able to be novated at the end of the JVA with Service Birmingham. This will ensure that this is not a contractual issue in the future.</p> <p><b>ICT &amp; Digital strategy 2016-2021</b></p> <p>We have ensured that the CareFirst Replacement Programme is managed in line with the ICT &amp; Digital Strategy 2016-2021 Principles.</p>
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	<div data-bbox="475 248 555 327"></div> <p>Work with partners to take a <b>whole system</b> approach, with citizens and neighbourhoods at the heart of our decision making</p> <div data-bbox="916 248 995 327"></div> <p>Target our <b>resources</b> on our key priorities and outcomes using evidence to inform our decision making</p> <div data-bbox="475 472 555 551"></div> <p>Promote the <b>independence</b> of service users and also enable them to step up and be part of designing solutions</p> <div data-bbox="916 472 995 551"></div> <p>Operate as an <b>agile organisation</b>, through our workforce, commissioning, procurement and delivery models</p> <div data-bbox="475 674 555 752"></div> <p>Use our <b>strategic assets</b> to leverage economic growth and investment across the city</p> <div data-bbox="916 674 995 752"></div> <p>We will <b>work</b> in a way that aligns with our <b>values</b></p> <p><b>Adults Health and Social Care Budget Savings Included in the Financial Plan 2017+</b></p> <ul style="list-style-type: none"> <li>• HW4 - Integrated Community Social Work Organisations -The City Council is proposing to re-organise and re-design its approach to social care assessments for adults with eligible needs. The new approach is based on locality areas linking to GP surgeries and building resilience back into communities. It is an asset based approach that builds on peoples strengths.</li> <li>• MYR1 - Integrated Community Social Work &amp; Review and audit of Care First payments system. In order to maximise independence, reduce service user financial contributions and to reduce costs for the Council, work will continue to identify and facilitate more effective means of meeting assessed eligible need for care and support and reducing Council expenditure accordingly.</li> </ul> <p>The implementation of the chosen solution will be an enabler to the delivery of these savings through the transformation of Social Work Practice and Process.</p>
<b>Achievability</b>	<ul style="list-style-type: none"> <li>• A full resource plan for the implementation has been developed as part of the FBC and a recruitment strategy has been drawn up. Early engagement with HR and Procurement Colleagues is underway. Plan available on request.</li> <li>• Early engagement with Operational Colleagues has begun to ensure that Teams are on board. Strong ownership and accountability from Operational Sponsors. Continued engagement with 'Grass Root' colleagues will be integral to the success of the Programme. One of the key messages being delivered is that culture and business change elements are as critical as the technical implementation. The Comms Strategy will ensure that we win the hearts and minds of people and bring them on the journey with us to achieve adoption.</li> </ul> <p>Below is an extract from the Comms Strategy that demonstrates the approach to engagement using the 7 Stages of Commitment:</p>

	 <ul style="list-style-type: none"> <li>• Full Business Change, Training and Communications work streams will be initiated to ensure a smooth transition from an operational standpoint.</li> <li>• Engage with Colleagues in other authorities undergoing the same process to understand lessons learned and implement learning points.</li> <li>• Appointment of Programme Manager with previous experience of this kind of project.</li> <li>• Contingency included in the Full Business Case for the implementation stage, to manage any key challenges that arise as part of the implementation. This will be managed tightly within the Programme as we begin to understand the implementation plan in more detail.</li> <li>• Supplier change control tolerance agreed and included in the contract.</li> </ul>
<b>Project Manager</b>	Kelly-Marie Prentice
<b>Budget Holder</b>	Children's Social Care – Colin Diamond Adults Social Care - Graeme Betts
<b>Sponsor</b>	Children's Social Care - Alastair Gibbons Adults Social Care - Graeme Betts Finance – TBA following recent appointment of Interim Assistant Director of Finance
<b>Project Accountant</b>	Peter Woodall

## Project Board Members

### CareFirst Replacement Programme Board



**Head of City Finance (HoCF)**

*Peter Woodall*

**Date of HoCF Approval:**

<b>3. Checklist of Documents Supporting the FBC</b>		
<b>Item</b>	<b>Mandatory attachment</b>	<b>Number attached</b>
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation)</li> </ul>	Mandatory	Included in the Private Report
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path</li> </ul> <p>See above: Project Description – Key Milestones.</p>	Mandatory	N/A
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	Appendix A
<ul style="list-style-type: none"> <li>Stakeholder Analysis</li> </ul>	Mandatory	Appendix B



## CareFirst Replacement - Risk Assessment

Reviewed: 13th July 2017

RISKS TO BE MANAGED									
Risk Ref.	Risk Description (risk, cause & impact)	Opening Threat Level e.g. 2x4=8			Proposed Mgt Action	Previous Threat Level e.g. 2x4=8			Risk Owner
1	<p>Risk: The implementation is not completed within the agreed timescales.</p> <p>Impact: Failure to achieve transformation within the necessary timescales resulting in negative impact to the business areas.</p>	3	4	12	<p>* Engage with the supplier to agree a mutually agreed implementation timeframe and manage the implementation closely.</p> <p>* Engaging with other LA's currently in implementation to apply Lessons Learned.</p> <p>* Ensure the contract is robust and includes penalties for delays and/or non-delivery.</p>	2	2	4	Mark Metcalfe (SB)
2	<p>Risk: The system does not deliver the necessary outcomes for the business areas.</p> <p>Impact: Failure to achieve necessary transformation resulting in negative impact to the business areas.</p>	5	2	10	<p>* All Mandatory Requirements were met as part of the Procurement Scoring.</p> <p>* Work with the supplier during configuration.</p>	2	2	4	Alastair Gibbons/Graeme Betts
3	<p>Risk: The necessary resource is not available to support the implementation.</p> <p>Cause: Lack of appropriate skilled resources to support the project or back-fill release of appropriate internal resources due to recruitment constraints.</p> <p>Other ICT changes have an impact on the delivery of the project.</p> <p>Future Council and the FOM may introduce an alternative operating model changing the requirements round Social Care ICT Solution.</p> <p>Impact: The system is not delivered within the agreed cost and quality tolerances resulting in failure to achieve necessary transformation resulting in negative impact to the business areas.</p>	4	4	16	<p>* Resource Plan developed in advance</p> <p>* Ensure appropriate funding for difficult to fill technical roles on day rates</p> <p>* Robust Dependency Management</p> <p>* Robust Change Management Process</p> <p>* Engagement with Directorate and Corporate Governance</p> <p>* Ensure regular contact with the Future Council and FOM leads</p>	3	3	9	Alastair Gibbons/Graeme Betts
4	<p>Risk: The system is not configured in such a way as to bring service improvement.</p> <p>Cause: Birmingham during the configuration move away from the 'Best Practice' configuration and bespoke the system thus removing the efficiencies.</p> <p>Impact: Failure to achieve necessary transformation resulting in negative impact to the business areas.</p>	4	3	12	<p>* Robust Change Control processes in place including Design Authority</p> <p>* Strong steer from Project Sponsors that bespoke development will not be supported</p> <p>* Clear comms strategy</p>	1	2	2	Alastair Gibbons/Graeme Betts

5	<p>Risk: Lack of engagement with the new system</p> <p>Cause: Users do not feel engaged with the process and feel 'done to' rather than involved in the process.</p> <p>Impact: The system is not used, work around are built into the process and the objectives of the project are not met.</p>	3	4	12	<p>* Robust Comms and Engagement Strategy</p> <p>* Dynamic Training Programme</p>	2	2	4	Alastair Gibbons/Graeme Betts
6	<p>Risk: Changes to the Service Birmingham Operating Model/Contract result in an impact on the new contract</p> <p>Impact: Contractual Implications between Service Birmingham, the Supplier and BCC</p>	4	4	16	<p>* Contract to include novation clause to ensure that transfer of ownership will be possible in the event of a change.</p>	1	1	1	Peter Bishop
7	<p>Risk: Data Migration is delayed and/or requires additional resource to complete</p> <p>Cause: Data Quality is very Poor in the existing CareFirst System making it challenging to migrate.</p> <p>Impact: The system is not delivered within the agreed cost and quality tolerances resulting in failure to achieve necessary transformation resulting in negative impact to the</p>	4	4	16	<p>* Data Cleansing resource allocation included in the resource plan.</p> <p>* Services included in the contract with Service Birmingham and the Supplier to support this process.</p> <p>* Regular data error reporting included within the plan.</p>	3	3	9	Peter Bishop
8	<p>Risk: Changes within the Children's Trust result in Change Control or Delays</p> <p>Cause: The Children's Social Care Service is moving into a Children's Trust in April 2018. There is a significant amount of organisational and IT change in preparation for the go-live.</p> <p>Impact: The system is not delivered within the agreed cost and time tolerances resulting in failure to achieve necessary transformation resulting in negative impact to the business</p>	4	3	12	<p>* Robust Dependency Management</p> <p>* Ensure regular contact with the Children's Trust Project</p> <p>* Robust Change Control Process</p>	3	3	9	Alastair Gibbons
9	<p>Risk: Changes within the estimated costs of the project</p> <p>Cause: Chanegs to availability and cost of temporary City Council resources required to implement the the project. Changes due to unforeseen omissions in requirements or changes in circumstances.</p> <p>Impact: The system is not delivered within the agreed cost tolerances resulting in negative financial impact to the</p>	4	3	12	<p>* Robust project financial monitoring</p> <p>* Regular review of spent to date and forecast with Project Accountant.</p> <p>* Contingency finance within the FBC</p> <p>* ICT governance sign off/ Visibility of orders</p> <p>* Robust Dependency Management</p> <p>* Robust Change Control Process</p>	3	3	9	Alastair Gibbons/Graeme Betts



# CareFirst Replacement Programme

## Stakeholder Communication & Engagement Strategy & Plan

This plan will clarify the actions needed to gain stakeholder engagement, commitment and ownership over the implementation of the new system.

The wider Project Team needs to ensure that every user is aware and has understanding of the changes ahead (see image 1 below). This will be supported by regular communication and engagement activities including relevant training which aids the acceptance and implementation of the new system. By mapping and understanding the different needs of users and key stakeholders (see Appendix 1) we can better respond to them, and ensure the communication of key information is effective and accessible to all. Engagement will involve a range of channels that will be set out in this document, while also explaining key dates and messages.

Engagement and communication is not always about producing more messages, more often than not it is about repeating the same/similar messages or aligning messages with existing communication & engagement activities, e.g. attend an existing meeting or aligning to existing change initiatives.

As part of the Project resourcing we have included plans to recruit a Business Change and Comms Lead. This is a draft plan that will be finalized once the Business Change and Comms Lead is in place during the Project Initiation.



Image 1 – Seven Stages of Commitment to Change with sample activities at each stage

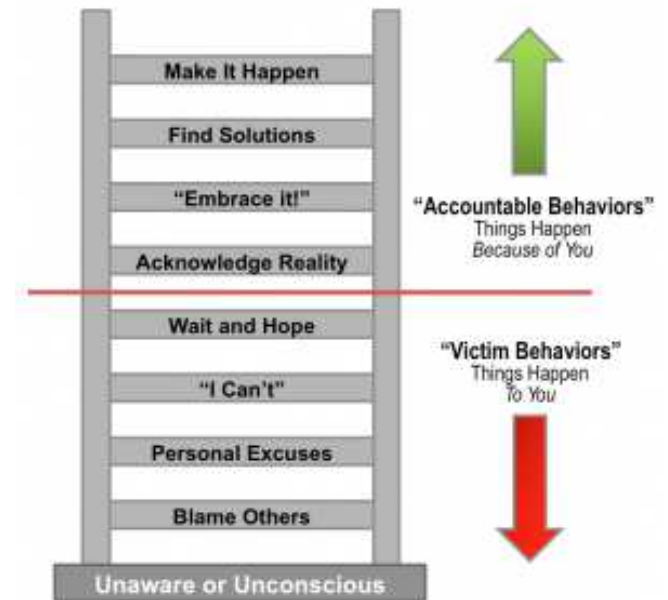
## Key Communication and Engagement Principles

### CLEAR:

- Start every communication with clarifying 'the Bigger Picture' (the 'why') and how Project fits in
- Branding – Use the Project Logo for any communication to all stakeholders – project branding to be arranged.
- Communication is planned around significant trigger events and changes
- Use existing communication channel and engagement activities for each service/team
- Communicate clearly, simply & effectively, remembering that often 'less is more' in a world where people have much demand on their time. Where possible, use visuals and inspiring stories by trusted peers to convey messages

### ENCOURAGE ENGAGEMENT, ACCOUNTABILITY & OWNERSHIP:

- Communicate through those who have the highest level of understanding and trust within each service/team, making them best-placed to convey messages, e.g. Workstream Leads, Culture Leads, HR Business Partner, Service Representative etc (not always management team)
- Encourage more peer-to-peer conversations rather than top-down messages
- Insist on decisions being made closer to the frontline as top-down control over decisions can negatively affect change readiness, resilience & ownership
- Ensure that key messages and actions are brought together where possible and tailored to meet the engagement needs of various stakeholders/colleagues/partners
- Regularly use the Stages of Commitment (see above) to informally assess each team's level of engagement and ownership (and highlight areas of concern)
- Clarify the importance of 'doing with' rather than 'doing to'
- Regularly take time to thank stakeholders for their input and highlight the benefit they are adding to the outcomes
- Enlist system champions for each service area to promote and support the system at a "grass roots" level.



## KEY MESSAGES:

- The system is a tool to support excellent social work practice – This is about supporting practice and ensuring excellent outcomes for vulnerable people.
- It is about enabling transformation.
- Investment in Social Work Practitioners
- Commitment to excellence
- We have been through a rigorous procurement process and have identified the best system for Birmingham

## Next Steps:

Trigger Event	Message / Activity	Audience*	Channel	Desired Outcomes:	Owner	Start-end date
Launch of Project to the organisation	An overview of the project, what its outcomes will be. It will be included Department Email Communications.	All Children's, Adults & Finance	Email	Colleagues are aware of the project and understand the changes that will take place.	KP	July 2017
Awarding of Tender	Naming the new system and branding is launched.  A 'what's happen so far' message  The vision of the system is outlined and how the system fits into the wider context.  Branding of the project and how it fits into the wide agenda of Children's, Adults & Finance.  Will also be included on the Intranet.  Posters created.  Outlined plan is communicated	All Colleagues in Adults, Children's & Finance Teams  Wider workforce and agencies	Webpages, All dept. email, newsletters  Departmental leadership team messages/ face2face  Roadshows	Colleagues know that there will be a system change. They are aware of outline timescales, and the activity required of them over the next few years.  Colleagues are engaged with the new system and understand implications  Enables transition to be smoother	KP	August– September 2017

AS Is Process Mapping Workshops	Key individuals and process owners will map how work flows between one service/ team to another and how services are provided.	Key Process owners, Steering group and senior managers for signoff	Workshop	People understand the impact of using the system – Data input.	KP	Oct– Dec 2017
TO BE Process Mapping Workshops underway	Key individuals and process owners will map how work should flow between one service/ team to another after system implementation and how services will be provided.	Key Process owners, Steering group and senior managers for signoff	Workshop	The right level of detail regarding process, systems and people is given to the project. Defining	KP	Oct– Dec 2017
Search for / recruit front line reps/change champions	TBA	TBA	Managers / Project lead identify	Key individuals will champion	Project to define	Dec 2017
Provider supplies new system to begin configuration	Workshop with Key Leaders –briefing them on upcoming project activities and expectation of teams for project and system implementation	DLT and SLTs	Team Meetings -Face2Face	Clarity of roles within delivery of a system and what is needed from leaders in terms of resource and the impact this could have on BAU.  Key risks identified and mitigation of these risks  Leaders are clear on timescales and can plan for implications	KP	Dependent on tender award
System UAT sessions	Key Individuals will signoff key aspects of the new system through various methods  To Be Business Process maps will be used to ensure there is a correct level of business signoff in this phase.	Project team, sponsor and key project sign- off routes	Workshop	Validation of system and business process.	KP	Dependent on tender award
Progress Updates	To inform Individuals of progress to date,	All Colleagues	Email. Website	Keep all stakeholders informed of	KP	Nov 2017 Onwards

	next steps and key issues/opportunities.	in Adults, Children's & Finance Teams  Wider workforce and agencies		progress		
Frequently Asked Questions	Answer questions raised at the team meeting and through PE Champions	All Colleagues in Adults, Children's & Finance Teams	Website, Team Meetings, PE Champions	Clarify any frequently asked questions to all users	KP	Nov 2017 Onwards
Clarify Training Overview Strategy in support of System Implementation & make recommendations post-implementation	Training Plan to be defined To include:  Drop In Session Training Manuals Training sessions eLearning Online Help Centres Floor Walkers	Steering Board	Steering Meeting	Have an agreed training approach	Project to define	TBC – In line with Project Implementation Plan.
Updates at DLT Meetings	Update on project progress and opportunity to ask questions	DLT Team	Team Meetings	For teams to be kept in the loop of progress	KP	Nov 2017 Onwards
'Keep It Clean' Data Cleansing message	Message from Project Team to ask teams to help with data cleansing and correcting errors	All Colleagues in Adults, Children's & Finance Teams	Newsletter, Team Meetings	Have teams understand how they can assist in this project through day-to-day actions	KP	Nov 2017 Onwards

Message to Managers re Data Cleansing & Data Protection	Message from Project Team to ensure Managers take responsibility for their teams to help with data cleansing and correcting errors	Adults, Children's & Finance Team Managers	Via HoS & Management Meetings	Have data cleansing & data protection clear in performance appraisals and other management practices	KP	Nov 2017 Onwards
Countdown to E Learning, Face-to-Face Training & Go Live	<p>3 Months before Training:</p> <p>PE Champion Session to talk through countdown to Go Live role in supporting teams pre- and post-implementation and ways to improve data quality etc. Reminder what to expect from training through PE Champions</p> <p>Plan in and put guided e-learning and face-to-face training courses onto Learning Pool</p> <p>6 Wks before Training:</p> <p>Advertise face-to-face training sessions via intranet, newsletter and direct email</p> <p>3 Months before Go Live</p> <p>Advertise guided e-learning sessions</p> <p>Email to Managers about releasing staff, booking people on guided e-learning sessions and process of booking people onto face-to-face courses</p> <p>Arrange demonstration of the system (&amp; preview of forms?) through PE Champions</p> <p>10 Wks before Go Live:</p> <p>Email E-Learning Login Details to all users, remind people E- Learning is mandatory &amp; remind people to book themselves onto face-to-face training</p> <p>Clarify the transition plan from Care First &amp;</p>	<p>PE Champions</p> <p>Teams</p> <p>Less Confident System Users</p>	<p>Workshop</p> <p>Team Meetings</p> <p>Via email to managers &amp; PE Champions</p>	<p>To ensure PE Champions are comfortable with their role in the build up to Go Live and beyond</p> <p>Ensure all users are booking themselves onto training</p> <p>Ensure all users know about how to book onto training and have more support for less confident system users</p>	TBC	Dependent on Go live date

	<p>Documentum to new system through PE Champions and points of contact for accessing further training and when issues arise</p> <p>1 Month before Go Live:</p> <p>3 Wks before Go Live:</p> <p>2 Wks before Go Live:</p> <p>1 Wk before Go Live:</p>					
During Training & Implementation	<p>Daily/Weekly updates on who has completed the E-Learning &amp; reminder to encourage completing the E-Learning</p> <p>Distribution of materials</p>	Managers & Trainers	Via email	Ensure users have completed E-Learning before accessing face-to-face courses	TBC	Dependent on Go Live date
Post-Implementation questions to answer and actions planned in	<p>Day 1:</p> <p>I didn't receive a log in, who do I contact?</p> <p>I cannot find a citizens information on LL. Do I report or start a new record from scratch?</p> <p>We have to shut down the system, how will work continue while the problem is resolved?</p> <p>Week 1:</p> <p>User Confidence Questionnaire</p> <p>We have a team specific question. Who are the Super Users or how do we arrange a Floor Walker visits to our team?</p> <p>I have been off long-term sick and missed the implementation training. How can I get up to speed?</p>			Need to think through how this would trigger further support		

	<p>Month 1: Resend Survey to all users I would like a report for our next team meeting but cannot remember how to access it? Do the Project Team need a lessons learned workshop?</p> <p>6 Months: Next Phase is about to Go Live and my team needs an update</p> <p>1 Year: I need to complete an activity I only do once a year and cannot remember how to do it on the new system? Where do I go for a reminder?</p>		Survey Monkey		TBC	
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## Mapping of Key Project Stakeholders

Stakeholder	Name/s	Contribution Essential, Desirable , Non- Essential	Influence / Power High, Med, Low	Level of Interest High, Med, Low	Stakeholder Interest	What the project needs from them	Communication & Engagement Method
Sponsor (Adults)	Graeme Betts	Essential	H	H	Wants to see a reliable and dependable solution in place that meets Care Act requirements/ recommendations.	Sponsor the project, approve the <i>project schedule</i> , <i>direct</i> communications to senior leadership, and provide resources and general support to the project. Overall decision maker	Regular Meeting with Project Manager and Business Change Manager
Sponsor (Children's)	Alistair Gibbons	Essential	H	H	Wants to see a reliable and dependable solution in place that meets Ofsted requirements/ recommendations.	Sponsor the project, approve the <i>project schedule</i> , <i>direct</i> communications to senior leadership, and provide resources and general support to the project. Overall decision maker	Regular Meeting with Project Manager and Business Change Manager
Sponsor (Finance)	TBC	Essential	H	H	Wants to see a reliable and dependable solution in place that meets regulatory requirements/ recommendations.	Sponsor the project, approve the <i>project schedule</i> , <i>direct</i> communications to senior leadership, and provide resources and general support to the project. Overall decision maker	Regular Meeting with Project Manager and Business Change Manager
Sponsor	Louise Collett	Essential	H	H	Wants to see a reliable and dependable solution in place that meets regulatory requirements/ recommendations.	Sponsor the project, approve the <i>project schedule</i> , <i>direct</i> communications to senior leadership, and provide resources and general support to the project. Overall decision maker	Regular Meeting with Project Manager and Business Change Manager

Stakeholder	Name/s	Contribution Essential, Desirable , Non- Essential	Influence / Power High, Med, Low	Level of Interest High, Med, Low	Stakeholder Interest	What the project needs from them	Communication & Engagement Method
Project Steering Board	Kelly-Marie Prentice Alastair Gibbons Alan Lotinga David Moran Louise Collett Carl A Griffiths Tony Stanley Anthony Elliott Satwinder Chohan Peter Woodall Paul Busst Phillippa Weymouth Mohammed Yahiah Andy Fullard Jackie Woollam Louise Milner / Julie Parry Wendy X Griffiths	Essential	H	H	Want a solution that meets the needs of the users	Provider steer and direction Make resources available to support the project	Regular Meeting with Project Manager and Business Change Manager
Councillors	Ian Ward Brigid Jones Paulette Hamilton Majid Mahmood	Essential	H	M	Project must be delivered within budget and time constraints	Budget approval	Escalation via EMT. Quarterly updates on progress.

Stakeholder	Name/s	Contribution Essential, Desirable , Non- Essential	Influence / Power High, Med, Low	Level of Interest High, Med, Low	Stakeholder Interest	What the project needs from them	Communication & Engagement Method
Corporate Leadership Team	Stella Manzie Mike O'Donnell Angela Probert Jacqui Kennedy Waheed Nazir Paul Dransfield Colin Diamond Andy Cauldric Graeme Betts	Desirable	H	H	Want a solution that meets the needs of the users	Support the project Provide steer as required Help support engagement of teams / users Approve implementation plans	Escalation via DLT.
Children's DLT	Colin Diamond Andy Cauldric Alastair Gibbons Yvette Waide Lorna Scarlett Kay Child Tony Stanley Andy Pepper Dawn Roberts Debbie Currie	Essential	H	M	Minimal impact to operational teams Solution fit for purpose Well planned with sufficient notifications/ updates Involvement in early phases	Support the project Provide steer as required Help support engagement of teams / users	DLT Meeting Attendance. Checkpoint Reports. Email Communications.

Stakeholder	Name/s	Contribution Essential, Desirable , Non- Essential	Influence / Power High, Med, Low	Level of Interest High, Med, Low	Stakeholder Interest	What the project needs from them	Communication & Engagement Method
Adults DLT	Graeme Betts Louise Collett Dr. Adrian Phillips (Service Director Adult Care – Birmingham Housing Options) Tapshum Patni AD Delivery (V) AS Specialist Care (V) Maria Gavin Wendy Griffiths John Denley Dr Wayne Harrison Dr Dennis Wilkes	Essential	H	M	Minimal impact to operational teams Solution fit for purpose Well planned with sufficient notifications/ updates Involvement in early phases	Support the project Provide steer as required Help support engagement of teams / users	DLT Meeting Attendance. Checkpoint Reports. Email Communications.
Service Managers/ Team Managers	Multiple	Essential	M	H	Minimal impact to operational teams Solution fit for purpose Well planned with sufficient notifications/ updates	Support the project Provide steer as required Help support engagement of teams / users	Team Meeting Attendance. Email Communications.
ICT User Group	Multiple	Essential	M	H	Minimal impact to operational teams Solution fit for purpose Well planned with sufficient notifications/ updates	Support the project Provide steer as required Help support engagement of teams / users	Group Attendance.
Project Team	See CareFirst Replacement Resource Profile	Essential	M	H	Roles clear Timeline realistic Want the project to be successful	Manage and lead own plans Update on progress Support project goals	Team Meetings. Checkpoint Reports. Email Communications.

Stakeholder	Name/s	Contribution Essential, Desirable , Non- Essential	Influence / Power High, Med, Low	Level of Interest High, Med, Low	Stakeholder Interest	What the project needs from them	Communication & Engagement Method
CareFirst user group	Group of senior users responsible for overseeing and approving system & process changes	Desirable	M	H	Want a solution that simplifies processes and is simple and easy to use Want to be involved in key decisions about the project	To input into requirements Support procurement process Provide feedback on project proposals and plans Communicate updates to areas responsible for	Group Attendance.
People Domain Board	Group of representatives from the department responsible for approving new projects and IT resource allocation	Desirable	M	M	Want to understand progress and IT impact	Support the project Provide feedback on project proposals and plans Make project aware of any dependencies	Meeting Attendance. Checkpoint Reports.
System Users	All end users	Desirable	L	H	Want an improved system that simplifies processes and reduces administration time	To be available for training To support with testing To read project communications / stay up to date on progress	Training. Email Communications. Roadshows. System Champions.
IT Support - application	See CareFirst Replacement Resource Profile	Desirable	L	M	Want to be clear about future role / responsibilities	To be available for training To support the current and future systems To support with testing To read project communications / stay up to date on progress	Training. Email Communications. Roadshows. System Champions.
IT support - help desk	All help desk staff	Non - essential	L	L	Core system functions and changes to process	To be available for training To support the current and future systems	Training. Email Communications. Roadshows. System Champions.
Partners and Voluntary Organisations	TBC	Desirable	M	M	Ensure project aligns to future requirements around partnership working	Support and engagement and input into implementation plans Users will need to use partner portal Communicate to teams	Email Communications. Training and Access Information. Key Stakeholder Group Meeting Attendance.

<b>Stakeholder</b>	<b>Name/s</b>	<b>Contribution</b> Essential, Desirable , Non- Essential	<b>Influence / Power</b> High, Med, Low	<b>Level of Interest</b> High, Med, Low	<b>Stakeholder Interest</b>	<b>What the project needs from them</b>	<b>Communication &amp; Engagement Method</b>
Citizens – Children, Adults, Carers etc.	Multiple	Desirable	Low	Low	Want excellent outcomes from their social work interaction	Support and engagement Users will need to use citizen focussed portals	Roadshows, Press, Focus Groups

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	CareFirst Replacement
<b>Directorate</b>	Children and Young People Directorate and Adult Social Care and Health Directorate
<b>Service Area</b>	Children's Social Care and Adults Social Care
<b>Type</b>	New/Proposed Function
<b>EA Summary</b>	This analysis evaluates the potential impact of proposals to replace the current 'CareFirst' I.T system used by both Children's and Adult's services within the Children and Young People Directorate and the Adult Social Care and Health Directorate. The proposed change in I.T follows recent criticism of the current system by Ofsted and a lack of flexibility within this system to support changing business processes. CareFirst is over 15 years old and further internal modification is not considered practical or sufficient. It is proposed that CareFirst is replaced with a new I.T solution that will enable direct improvement in Social Care delivery, reduce the administrative burden on Social Workers and allow more time to be spent
<b>Reference Number</b>	EA001217
<b>Task Group Manager</b>	Andrew.J.Clarke@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Senior Officer</b>	<a href="mailto:graeme.betts@birmingham.gov.uk">graeme.betts@birmingham.gov.uk</a> and <a href="mailto:Alastair.gibbons@birmingham.gov.uk">Alastair.gibbons@birmingham.gov.uk</a>
<b>Quality Control Officer</b>	PeopleEAQualityControl@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Overall Purpose**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Function.

## 2 Overall Purpose

### 2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	The purpose of the proposed replacement of CareFirst is to deliver a modern I.T solution that will improve delivery of services to the citizens of Birmingham, assist in the identification of Safeguarding issues, assist in making better decisions more quickly, provide for better handling of out of hours incidents as well as being flexible enough to respond to the changing needs of the service. It is also an objective of the project for the replacement solution to incorporate several older systems and processes that presently result in a significant resource overhead.
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	Yes
<u>Comment</u> The proposed CareFirst solution will contribute to Public Service Excellence by providing a more flexible I.T system that better meets the needs of the staff utilising it. This solution will reduce the administrative burden on Social Workers and other staff allowing more time with citizens. It will also better assist in the management of casework thereby helping keep people safe; and will reduce wastage through un-necessary admin that can directly impact directly upon the customer by delaying decisions and the provision of services.	
A Fair City	Yes
<u>Comment</u> As reductions on public services finance and resources continue to increase the provision of local authority services will need to ensure that those in the highest need are provided for first. The proposed I.T solution will assist in contributing to this objective by increasing the quality and types of information available to professionals when determining the needs of citizens and ensuring the correct provision is in place.	
A Prosperous City	No
A Democratic City	No

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
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<p><u>Comment</u></p> <p>Although there are anticipated improvements for service users within the proposed replacement solution, the end use system itself is only used by staff and some key partners. Therefore there will be no noticeable change, day to day, for service users beyond the improvements identified beyond possible alterations to public facing portals.</p> <p>The current system does provide some portals which are accessed by citizens and some other partners such as Police, Health and others. Should an alternate supplier be selected to provide the solution these public facing portals will be subject to replacement by a version provided by the chosen supplier. However the business requirements specified that such a solution minimally match or even supersede the accessibility requirements of the present system (i.e. DDA compatibility). Having considered this it is concluded that there is no identified detrimental impact on service users foreseen at this time.</p> <p>The replacement solution has been subject to stringent business requirements that the replacement system must meet. The chosen system has been selected through this process and in line with procurement rules.</p>	
Will the policy have an impact on employees?	Yes
<p><u>Comment</u></p> <p>There will be impact on staff as CareFirst is a very widely used system and any replacement will require extensive staff retraining as well as commitment from the numerous teams that use the system to assist in UAT for the modules that they will use in future. Staff resources helped to develop and agree the business requirements specific to the various areas of work the replacement will work within.</p> <p>Additional staff will be impacted as the proposed replacement solution may incorporate tasks presently undertaken by other systems. The staff in these areas will also require training on the use and application of the proposed replacement solution.</p>	
Will the policy have an impact on wider community?	No
<p><u>Comment</u></p> <p>There is no potential or actual effect on the wider community noted or foreseen at this time.</p>	

## 2.3 Analysis on Initial Assessment

This EA has been reviewed and updated to ensure that due regard has been paid to any new information that could impact upon those identifying with a protected characteristic. This will continue to be updated throughout the life cycle of the Programme.

At this time and based on available information, the only potential impacted characteristic is that of disability. It is noted that there is potential for impact upon disabled staff who will be required to use the replacement system and currently access CareFirst with the aid of adjustments such as large print or specialised keyboards/access devices.

It is considered that there are a small number of people who will be affected and the final numbers will be identified during the implementation planning. The identified solution provider has confirmed that it meets all requirements under the DDA.

It is therefore concluded, on the available information, that there will be no disproportionately detrimental impact upon disabled members of staff who will use the replacement system.

It is noted that the replacement system may result in amendments to the way in which some service users access portals and online systems. However it is anticipated that such amendments will be aesthetic only and will not result in any impact on service users.

The remaining protected characteristics detailed within the Equality Act (2010) have been considered and evaluated for potential impacts with none being noted. However it should again be noted that this EA will be reviewed and updated as the project progresses to ensure that new information is considered.

Should any impact relating to a protected characteristic be identified then this EA can be reviewed or amended prior to any planned review following assessment of the severity and proportionality of the identified impact. We will continually seek to appropriately remove, minimise or mitigate any EA issue as and when this information is known.

### **3 Concluding Statement on Full Assessment**

The protected characteristics within the Equality Act (2010) have all been assessed against the information known at this early stage. It is not foreseen that there will be any potential or actual disproportionate impact on any person due to Age, Gender, Gender Reassignment, Marriage & Civil Partnership, Pregnancy & Maternity, Race, Religion or Belief or Sexual Orientation.

There is potential for disproportionate impact on disabled persons for reasons set out in the analysis on initial assessment. However, specific business requirements have been included that fully match the DDA standards of the existing system(s) and where possible surpass them.

### **4 Review Date**

26/12/2017

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>CORPORATE DIRECTOR FOR PLACE</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>ESTABLISHMENT OF A COMMERCIAL VENTURE BETWEEN THE LIBRARY OF BIRMINGHAM AND THE REPERTORY THEATRE – APPROVAL OF FULL BUSINESS CASE AND CONTRACT AWARD</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref:</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Cabinet Member(s)</b>	<b>COUNCILLOR IAN WARD – DEPUTY LEADER COUNCILLOR MAJID MAHMOOD, VALUE FOR MONEY AND EFFICIENCY</b>
<b>Relevant O&amp;S Chairman:</b>	<b>COUNCILLOR MOHAMMED AIKHQAQ, CORPORATE RESOURCES AND GOVERNANCE</b>
<b>Wards affected:</b>	<b>ALL</b>

<b>1. Purpose of report:</b>
<p>1.1 The purpose of this report is to inform Cabinet of the Full Business Case (in Appendix 1) for the establishment of a commercial venture between the Library of Birmingham (LoB) and Birmingham Rep Enterprises Ltd (Rep) to maximise the commercial income from the use of conferencing and events space, in line with the 2017/18 budget proposal approved at Full Council in February 2017.</p> <p>1.2 This report provides the non-exempt information related to the Full Business Case for the establishment of the venture between the parties. The private report deals with confidential and/or exempt information not covered in this report.</p>

<b>2. Decision(s) Recommended:</b>
That Cabinet:-
2.1 Notes the content of this report.

<b>Lead Contact Officer(s):</b>	David Potts, Head of Library Resources Ken Lyon, Head of Commercialism
<b>Telephone No:</b> <b>E-mail address:</b>	<a href="mailto:David.Potts@birmingham.gov.uk">David.Potts@birmingham.gov.uk</a> <a href="mailto:Ken.Lyon@birmingham.gov.uk">Ken.Lyon@birmingham.gov.uk</a>

### **3. Consultation**

#### **3.1 Internal**

3.1.1 Members of the Commercialism Board were consulted on 23<sup>rd</sup> March 2017, and support the proposal. Consultation has also taken place with opposition party members.

3.1.3 Officers from City Finance, Legal Services, Human Resources and Procurement have been involved in the preparation of this report.

3.1.4 Consultation on the proposals is also ongoing with relevant trade unions and the staff that are potentially impacted by the proposal.

#### **3.2 External**

3.2.1 Members of the Rep's management team have been integral to the development of the proposed venture, including the Executive Director, Finance Director and Operations Manager, who are all actively supportive of proposals.

3.2.2 As part of the 2017/18 budget process full public consultation was undertaken on the approach alongside other proposals prior to the budget being approved at Full Council.

3.2.3 An overview of the consultation undertaken to date is attached in Appendix 2.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

4.1.1 The proposal specifically supports a number of the Council's strategies, which are:

- Council Financial Plan 2017+ - the proposal to develop a joint arrangement with the Rep to deliver a £0.100m financial benefit forms part of the Council's Financial Plan 2017+ and was part of the public consultation in the Councils budget setting process.
- Council Vision and Forward Plan – The development of this approach supports the 'Jobs and Skills' agenda in the Council's vision and forward plan by building on two internationally renowned cultural assets and competitive strengths to support inclusive growth in Birmingham's economy.
- Commercialism – the Council is embarking on a Commercialism approach that seeks to increase the financial value of assets that the Council holds, including seeking to generate new revenue for the Council. The implementation of this scheme will support the Commercialism approach. The scheme has been endorsed by the Commercialism Board.

This scheme seeks to maximise the income potential of the internationally renowned asset that is the LoB in line with the 2017/18 budget proposal and success of the scheme would provide an income stream to enable the Council to invest in services and infrastructure at the LoB.

- Supporting the Cultural Sector – the Council is actively embarking on an approach to work alongside partners in the cultural sector to support the ongoing sustainability of the sector by generating alternative forms of funding in the context of an ongoing reduction in cultural grant. This approach will not only deliver an additional service to the Councils budget but will provide the Rep with an opportunity to increase its income and further reduce reliance on the cultural grant.
- Business Charter for Social Responsibility (BBC4SR) – The contract will include a BBC4SR compliant action plan that is relevant and proportionate to the size of the contract. These actions will be monitored and managed during the period of the contract.

#### 4.2 Financial Implications

The implementation of the scheme is estimated to generate a total net revenue benefit in addition to existing surpluses generated to the Council of a minimum of £0.147m per annum by 2019/20. It is anticipated that the Council will be required to make an upfront investment of approximately £0.050m to cover set up costs, including staff training and marketing, which can be funded from within existing approved budgets in 2017/18 for the LoB. The Rep will make a similar contribution to set up costs.

The Council has negotiated a contractual revenue sharing arrangement with the Rep, whereby existing net surpluses for each organisation are protected and any additional surplus generated is divided equally between both organisations. As a part of the contract negotiations, due regard has been given to ensuring that the arrangements are as tax-efficient as possible, whilst still delivering the required operational outcomes.

The Financial Plan approved by full Council on 28 February 2017 included a saving of £0.100m per annum from 2017/18 as a result of the implementation of this arrangement. It is likely that this level of savings will not be fully delivered until 2018/19, with the 2017/18 shortfall to be met by the identification and delivery of compensating one-off savings within overall approved LoB budgets for the year. Any surpluses generated in excess of this level will be directed to protecting and enhancing services delivered through the Library of Birmingham.

#### 4.3 Legal Implications

Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

#### 4.4 Public Sector Equality Duty

An initial Equality Analysis (number EA002151) accompanies this report in Appendix 3 and concludes that there are no significant equalities implications.

## **5. Relevant background/chronology of key events:**

- 5.1 The Library of Birmingham (LoB) opened in September 2013. Alongside the library services and community facilities there is a range of high quality conferencing and events space within the building and similar facilities in the adjoining Rep building. Following a series of budget savings proposals the LoB significantly reduced its conferencing and events staffing and capacity in 2015. The reduction in internal capacity led to the development of an arrangement with Acivico (Design, Construction & Facilities Management) Limited to manage and co-ordinate events and conferences in the building. The existing arrangement created a surplus in the region of £144k in 2016/17, which represents a marginal over-delivery in comparison to the base budget. Over a similar period the Rep has invested heavily in its commercial and events teams and experienced significant growth in its commercial business and achieved a greater financial return.
- 5.2 As part of the planning for the Financial Plan 2017+ a range of options were considered for the Rep and the LoB to generate additional income and to support the Council's priorities.
- 5.3 The development of a relationship with the Rep to maximise the surplus from the use of conferencing facilities formed part of the 2017/18 budget proposal, which was approved at City Council in February 2017.
- 5.4 Following an initial appraisal of options, an independent report (produced by Oomph Consultants) was jointly commissioned by the Rep and the LoB, which identified that there were significant further opportunities for the venues to maximise income and achieve operating efficiencies by developing shared management arrangements. The report recommended the forming of a specialist commercial and events management company that would be owned by the Rep, but would operate on behalf of the LoB and contract with Birmingham City Council for the delivery of services. The report identified that this approach would realise an income exceeding that of the current arrangement with Acivico and other alternative options.
- 5.5 The opportunity identified by the independent report led to a proposal in the Council's budget for 2017/18 'to reduce costs by introducing jointly managed arrangements with Birmingham Rep for aspects of venue management (room booking/commercial lettings, event management, catering) at the Library of Birmingham.' The budget proposal is to generate £0.100m in 2017/18.
- 5.6 The Rep incorporated a new private limited company wholly owned by the Rep in March 2017 and has been developing an initial business plan for the company. It is proposed that nominee directors from the Council will be appointed to the company board to serve alongside Rep directors. There is, at this time, no proposal for the Council to take a shareholding in the company but this is an option for the future once the success of the venture has been established.
- 5.7 Following the development of the proposal, the Council has developed a Full Business Case (attached in Appendix 1) including undertaking further due diligence, including a sensitivity analysis and testing legal assumptions, which has suggested the utilisation of such a vehicle would provide an ongoing revenue benefit for the Council reaching a minimum of £0.147m per annum by 2019/20, and present significant opportunities for further growth in future years.



- 5.8 A proposed staffing structure has been developed, which comprises a Commercial Director alongside sales and marketing, events management, technical support and financial support functions. It is proposed that up to 7 staff from the Rep will transfer to the new company alongside up to 2 posts within the venues team at the LoB under the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).
- 5.9 This proposed contract was included in the Planned Procurement Activities List approved by Cabinet as part of the sounding out process on 27th June 2017. The report indicated that the contract duration would be for a period of up to 5 years with the potential to generate a total income of £1.38m. Discussions regarding the suitability of the proposed commercial arrangements have taken place between the parties. The Director of Commissioning and Procurement approved single contractor negotiations under Chief Officer delegated authority on July 4<sup>th</sup> 2017.
- 5.10 Following the completion of the negotiations a contractual arrangement between the parties has been developed, to run from 1 October 2017 to 31 March 2020 with the option to extend for a further two years. The contract awards the service delivery contract for conferencing and events facilities and also sets out the governance arrangements between the parties in relation to the usage of spaces, service delivery, financial returns, taxation arrangements, dispute resolution and exit arrangements.

## 6. Evaluation of alternative option(s):

A number of options have been considered and appraised as to whether they would achieve the financial returns required for the Council and also protect the cultural heritage of both venues.

- 6.1 Continue as is – service provided in-house and via existing contractual arrangement** – This option was discounted as it was not appraised as likely to achieve the increase in revenue required or exploit the opportunities made possible through the unique use of the connectivity between the venues and that the likely costs of operation of the service were greater than the partnership approach. It is estimated that this would achieve a return of at least £0.100m pa less for the Council than the preferred option.
- 6.2 Commission the market to deliver service outcomes** – This option was discounted as it is unlikely to be able to access and maximise the opportunity provided by utilisation of both venues and would lead to a percentage of the surplus being retained by the external supplier. It is estimated that this will achieve a return of approximately £0.070m pa less for the Council than the preferred option.
- 6.3 Renegotiate existing arrangements with current suppliers** – This option was discounted as it was not appraised as likely to achieve the financial returns required or exploit the opportunities made possible through the unique use of the connectivity between the venues. It is estimated that this will achieve a return of approximately £0.070m less for the Council than the preferred option.

**6.4 In-house redesign to incorporate event management of the Studio Theatre –** This option was considered but discounted on the basis that it would not be deliverable in the timescales required to achieve the agreed budget savings and would require a significant at risk investment in staffing by the Council and the likely returns do not justify the investment. It is estimated that this will a return of achieve approximately £0.060m pa less for the Council than the preferred option and is likely to lead to a delay in realising the benefits. This option would also create a range of operational and relationship challenges to the Councils business as usual arrangements with the Rep.

## **7. Reasons for Decision(s)**

- 7.1 The implementation of the proposed contract is the most effective route to support the Council in achieving a minimum of £0.147m per annum of additional revenue by 2019/20, reducing the need to make further reductions to services to achieve agreed financial targets.
- 7.2 The introduction of the approach will strengthen the Council's relationship with the local cultural and events sector and provide a platform for growth of the partnership with the ability to encompass other cultural sector partners.

### **Signatures**

### **Date**

**Councillor Ian Ward**  
**Deputy Leader of the Council**

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**Councillor Majid Mahmood**  
**Cabinet Member for Value for**  
**Money and Efficiency**

.....

.....

**Jacqui Kennedy,**  
**Corporate Director - Place**

.....

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<b>List of Background Documents used to compile this Report:</b>
Council Financial Plan 2017+ - City Council 28 February 2017

<b>List of Appendices accompanying this Report (if any):</b>
Appendix 1 – Full Business Case Appendix 2 – Consultation Matrix Appendix 3 – Equality Analysis

<b>Report Version</b>		<b>Dated</b>	
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Full Business Case (FBC)			
1. General Information			
Directorate	Place	Portfolio/Committee	Deputy Leaders Portfolio
Project Title	Establishment of a Commercial venture between the Library of Birmingham (LoB) and the Birmingham Repertory Theatre (Rep)	Project Code	
Project Description	<p>The Councils Financial Plan 2017+ includes a <i>'proposal to reduce costs by introducing jointly managed arrangements with Birmingham Rep for aspects of venue management (room booking/commercial lettings, event management, catering) at the Library of Birmingham'</i>.</p> <p>The proposal to establish a commercial arrangement between the Library of Birmingham (LoB) and Birmingham Rep Enterprise Ltd (Rep) is in line with the budget consultation and the desire to take a more commercial approach to tackling budget challenges - thus enabling us to protect services. It is proposed to utilise a new company aimed at maximising the value of the unique conferencing and hospitality opportunities offered within the space between the LoB and the Rep at the heart of the city.</p> <p>This partnership reflects the Council's desire to build on the success of both the LoB and the Rep in increasing income through conferencing and hospitality activities. By utilising the various, unusual spaces across the two buildings and unifying the sales, marketing and operational efforts required to sell and to deliver them - the combined offer will lead to greater revenues and profits for both partners and an enhanced level of service to clients.</p> <p>The Council is proposing to enter in to an agreement with the parties from 1 October 2017 to 31 March 2020 (with the option to extend for a further two years).</p> <p><u>Delivery Vehicle</u></p> <p>The proposal is for the new company to be wholly owned by the Rep, but to be operated as an equal partnership between BCC and the Rep, providing both organisations with additional profits, generated through a joint approach cultivating new business.</p> <p>It is proposed that the company will become a 'one stop' events sales</p>		

and management company to include the following functions:

- Sales and Marketing – proactive sales of rooms, catering, conferences and events
- Events Management – setting up and running a range of events in both buildings
- Technical Support – providing IT and technical support for events
- Finance Support

It is anticipated that approximately 7 staff will transfer to the company from the Rep and up to 2 staff from the LoB venues team.

These functions will be led by a Commercial Director, who will have overall responsibility for ensuring the functions meet the needs of the business and the objectives of all parties are achieved.

The company will be wholly owned by the Rep and will include a company board with representation from BCC on the board.

#### Financial Arrangements

The proposed financial arrangement and the relationship between the Rep and the LoB are that there will be a profit protection mechanism for the initial surplus generated (representing current estimated returns).

Subject to agreement of the detailed terms of the contract, surpluses in excess of the protected element will be divided evenly between the LoB (as a profit/performance share via the contractual mechanism) and the Rep. In the event that the surplus fails to reach existing levels the surplus will be divided in proportion with the income protection arrangement. Detailed contractual arrangements have been the subject of substantial negotiation, and include consideration of tax implications to ensure that agreed arrangements are as efficient as possible for all parties.

To deliver the proposal an investment is required of £0.05m from both parties, the LoB's share will be funded within existing approved budgets for 2017/18.

#### Drivers for Change

The LoB is a unique asset with an international reputation and this venture provides us with the opportunity to maximise that asset, both financially but also in enabling more customers to benefit from using the world class facility, which is ideally suited for weddings, conferences and events.

Although there are a range of contributory drivers for change for BCC

	<p>they key driver is to achieve the financial benefits required to deliver the 2017/18 budget requirements.</p> <p>To deliver the level of financial benefit required within the budget a transformed, more proactive approach to business growth is required, which is highly unlikely to be achieved within the current model for the LoB.</p> <p>Other contributory factors to the proposal are:</p> <ul style="list-style-type: none"><li>- The need to protect the cultural heritage of the LoB and the Rep</li><li>- Protect BCC's core values</li></ul>			
<b>Links to Corporate and Service Outcomes</b>	<p>The development of a formal commercial relationship with the Rep in relation to the use of events and conferencing space will fulfil the Council's objectives in the following ways:</p> <p><u>Council Financial Plan 2017+</u></p> <p>The Council Financial Plan 2017+ and budget consultation for 2017-18 includes <i>'the proposal to reduce costs by introducing jointly managed arrangements with Birmingham Rep for aspects of venue management (room booking/commercial lettings, event management, catering) at the Library of Birmingham'</i>.</p> <p>The development of this arrangement would realise the budget proposal within the Council's business plan.</p> <p><u>Commercialism:</u></p> <p>Commercialism focuses on maximising the value of every asset within the organisation to drive a financial return, which will enable the authority to protect other services to Birmingham. As part of the Commercialism approach work is taking place across the organisation to identify income opportunities to enable the continued provision of key services to citizens.</p> <p>Developing commercial relationships with partners has been identified as a key strand of Commercialism activity at BCC and the development of a formal commercial relationship with the Rep aligns with the Commercialism approach and enables the Council to benefit from the unique asset of the LoB.</p> <p><u>Council Vision and Forward Plan:</u></p> <p>The development of this approach supports the 'Jobs and Skills' agenda in the Council's vision and forward plan by building on two internationally renowned cultural assets and competitive strengths to support inclusive growth in Birmingham's economy.</p>			
	Project Definition Document Endorsed by	Commercialism Board endorsed the approach	Date of Approval	27 March 2017

<b>Benefits Quantification- Impact on Outcomes</b>	<b>Measure</b>	<b>Impact</b>
	<b>Net revenue return</b> (i.e. income from company exceeds investment and previous income from BCC LoB activities)	<ul style="list-style-type: none"> <li>• Achieve savings delivery target within 2017/18 budget proposals to 2020</li> <li>• Ability to invest in core business activities at the LoB</li> </ul>
	<b>Development of BCC and cultural sector relationship</b> (Further development of relationship with key cultural sector partner)	<ul style="list-style-type: none"> <li>• Council's risk of vulnerability to market issues in a region/section of the market is managed</li> </ul>
<b>Project Deliverables</b>	<p>The project will deliver:</p> <ul style="list-style-type: none"> <li>- Effective governance for the contract</li> <li>- A signed contract between the parties</li> <li>- Marketing material and brand and a communications plan</li> <li>- An operating model for operations</li> <li>- A sustainable and increasing income stream for both BCC and the Rep</li> </ul>	
<b>Scope</b>	<p>The scope of the proposal is the commercial activity relating to the conferencing and events space at the LoB. The scope does not include the business as usual activity at the LoB, including community events. The scope of the project is:</p> <p><u>In Scope:</u></p> <p>The areas in scope of this business case are:</p> <ul style="list-style-type: none"> <li>• Sales and events booking arrangements and catering (excluding the Library café)</li> <li>• The conferencing and commercial space within the LoB</li> <li>• The space within the LoB that can be used commercially outside of library opening hours</li> <li>• Posts within the venues and events team at the LoB</li> </ul> <p><u>Specific event spaces that will be impacted by the proposal are:</u></p> <ul style="list-style-type: none"> <li>• Shakespeare Memorial Room / Skyline Viewpoint</li> <li>• Outdoor terraces</li> <li>• Gallery (December only)</li> <li>• Book Rotunda / Baskerville Corner</li> <li>• Conference Suite</li> <li>• Studio Theatre</li> </ul>	
<b>Scope exclusions</b>	<u>Out of Scope:</u>	



	The core operations of the LoB are out of scope of this project and it is fundamental to this approach that any changes must protect and enable the LoB to operate successfully as a library.		
<b>Dependencies on other projects or activities</b>	The project is dependent on the following activities: <ul style="list-style-type: none"> <li>• Development and formal approval at the Rep Board of a business case for the Rep entering in to the arrangement, including transferring staff to the new company.</li> </ul>		
<b>Achievability</b>	The proposed key milestones within the project are as follows: <ul style="list-style-type: none"> <li>• Identification and investigation of opportunity – April 2017 (complete)</li> <li>• Cabinet Approval – July 2017</li> <li>• Soft launch of organisation – August 2017</li> <li>• Sign formal contract – August 2017</li> <li>• Full launch of the contract, including transfer of staff – October 2017</li> <li>• 6 month review of initial performance – April 2018</li> </ul>		
<b>Project Manager</b>	Linda Morgan – Project Manager <a href="mailto:Linda.Morgan@Birmingham-Rep.co.uk">Linda.Morgan@Birmingham-Rep.co.uk</a>		
<b>Budget Holder</b>	David Potts – Head of Library Resources <a href="mailto:David.Potts@Birmingham.gov.uk">David.Potts@Birmingham.gov.uk</a>		
<b>Sponsor</b>	Jacqui Kennedy – Corporate Director for Place <a href="mailto:Jacqui.Kennedy@birmingham.gov.uk">Jacqui.Kennedy@birmingham.gov.uk</a>		
<b>Project Accountant</b>	Guy Olivant – Head of City Finance – Place <a href="mailto:Guy.Olivant@birmingham.gov.uk">Guy.Olivant@birmingham.gov.uk</a>		
<b>Project Board Members</b>	<ul style="list-style-type: none"> <li>• Jacqui Kennedy – Corporate Director for Place <a href="mailto:Jacqui.Kennedy@birmingham.gov.uk">Jacqui.Kennedy@birmingham.gov.uk</a></li> <li>• Guy Olivant – Head of City Finance – Place <a href="mailto:Guy.Olivant@birmingham.gov.uk">Guy.Olivant@birmingham.gov.uk</a></li> <li>• Ken Lyon / Head of Commercialism / 07712 436640 <a href="mailto:Ken.Lyon@birmingham.gov.uk">Ken.Lyon@birmingham.gov.uk</a></li> </ul>		
<b>Head of City Finance (HoCF)</b>	Guy Olivant	<b>Date of HoCF Approval:</b>	10/7/2017

**2a. Budget Summary – BCC**

The budget summary and assumptions behind the business plan are attached in the private report - Appendix B.

<b>Planned Start date for delivery of the project</b>	August 2017	<b>Planned Date of Technical completion</b>	October 2017
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### 3. Checklist of Documents Supporting the FBC

Item	Mandatory attachment	Number attached
<b>Financial Case and Plan</b>		
<ul style="list-style-type: none"> <li>Funding Strategy</li> </ul>	Private Report	Private Appendix 1
<ul style="list-style-type: none"> <li>Statement of required resource (people, equipment, accommodation) – append a spreadsheet or other document</li> </ul>	Mandatory	Appendix A.3
<ul style="list-style-type: none"> <li>Milestone Dates/ Project Critical Path</li> </ul>	Mandatory	Appendix A.1
<b>Project Development products</b>		
<ul style="list-style-type: none"> <li>Populated Issues and Risks register</li> </ul>	Mandatory	Appendix A.2
<b>Other Attachments (list as appropriate)</b>		
<ul style="list-style-type: none"> <li>Project proposal (as per public report )</li> </ul>		



Internal Consultation			
Date and Summary	Who Consulted with	Summary of Feedback	Response
23/03/2017  Outline Business Case discussed	Commercialism Board (Deputy Leader, Cabinet Member VFM and Efficiency, Cabinet Member Clean Streets, Recycling and Environment, Strategic Director Change and Support Services, Interim Strategic Director Place, Interim Strategic Director Economy, Head of City Finance (Place))	Supportive of proposal and approach endorsed by Commercialism Board	Non required
08/05/2017  Outline Business Case discussed	Place Trade Unions	Noted initial business case. Further information on staffing impact options considered.	Further meeting scheduled
22/05/2017  Queries from Outlines Business Case addressed	Place Trade Unions	Noted responses. Approved to proceed to formal consultation with employees	Non required
12/06/2017  Outline Business Case presented	Opposition Members – Cllr Brew and Cllr Jenkins	Supportive of principles of proposal.  Asked for more details on financial implications.	Additional meeting set up and further information provided.
26/06/2017  Discussions with impacted employees	Directly and Indirectly Impacted Employees	Queries around impact	Queries responded to

05/07/2017 Overview of proposals	All Library of Birmingham Staff	Some queries around impact	Queries responded to
05/07/2017 Full Business Case presented	Opposition Member – Cllr Brew	Noted financials, risk and legal implications – indicated supportive of approach.	Non required

External Consultation			
Date and Summary	Who Consulted with	Summary of Feedback	Response
06/12/2016 – 09/01/2017 Formal Budget Consultation	Public as part of budget	13 responses were received related to this proposal as part of the budget consultation. Responses largely focussed on the need to protect the Library of Birmingham from further cuts to services or reduction in access to the library.  Other comments also related to the need to maintain the Library of Birmingham's identity as a library.	Noted and incorporated in to proposal as appropriate
Ongoing Development of proposals	The Birmingham Repertory Theatre – Executive Director, Finance Director and Operations Manager	Supportive of proposals	None required

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Development Of Commercial Partnership Between Lo B (BCC) And Rep Theatre
<b>Directorate</b>	Place
<b>Service Area</b>	Place - Equalities, Community Safety And Social Cohesion
<b>Type</b>	New/Proposed Policy
<b>EA Summary</b>	To assess if any of the protected characteristics are disproportionately affected as a result of the development of a commercial partnership to deliver an increasing surplus to the City via the effective sales and delivery of commercial sales and events in the Library of Birmingham
<b>Reference Number</b>	EA002151
<b>Task Group Manager</b>	matt.hageney@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2017-07-07 00:00:00 +0100
<b>Senior Officer</b>	jacqui.kennedy@birmingham.gov.uk
<b>Quality Control Officer</b>	placeequalitycontrol@birmingham.gov.uk

### Introduction

The report records the information that has been submitted for this equality analysis in the following format.

#### **Initial Assessment**

This section identifies the purpose of the Policy and which types of individual it affects. It also identifies which equality strands are affected by either a positive or negative differential impact.

#### **Relevant Protected Characteristics**

For each of the identified relevant protected characteristics there are three sections which will have been completed.

- Impact
- Consultation
- Additional Work

If the assessment has raised any issues to be addressed there will also be an action planning section.

The following pages record the answers to the assessment questions with optional comments included by the assessor to clarify or explain any of the answers given or relevant issues.

## 1 Activity Type

The activity has been identified as a New/Proposed Policy.

## 2 Initial Assessment

### 2.1 Purpose and Link to Strategic Themes

#### What is the purpose of this Policy and expected outcomes?

To increase commercial income (increase in income of £0.039m in year 1, £0.110m in year 2, £0.147m in year 3);

To increase the reputation of Library of Birmingham as a world class venue;

An improved service to commercial customers

For each strategy, please decide whether it is going to be significantly aided by the Function.

Children: A Safe And Secure City In Which To Learn And Grow	No
Health: Helping People Become More Physically Active And Well	No
Housing : To Meet The Needs Of All Current And Future Citizens	No
Jobs And Skills: For An Enterprising, Innovative And Green City	Yes

#### Comment:

The project provides an opportunity to develop jobs in the local economy.

### 2.2 Individuals affected by the policy

Will the policy have an impact on service users/stakeholders?	Yes
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#### Comment:

Commercial events bookings will transfer from Acivico to a newly formed company

Will the policy have an impact on employees?	Yes
--	-----

#### Comment:

There is potential for the TUPE of 2 individuals to the newly formed company

Will the policy have an impact on wider community?	No
--	----

### 2.3 Relevance Test

Protected Characteristics	Relevant	Full Assessment Required
Age	Not Relevant	No
Disability	Not Relevant	No
Gender	Not Relevant	No
Gender Reassignment	Not Relevant	No
Marriage Civil Partnership	Not Relevant	No
Pregnancy And Maternity	Not Relevant	No
Race	Relevant	No
Religion or Belief	Not Relevant	No
Sexual Orientation	Not Relevant	No

### 2.4 Analysis on Initial Assessment



It is felt that that there will be no impact on protected characteristics - the project will result in an improved service.

We have a range of customer data which reveals that most customers are corporate customers rather than individuals

### **3 Full Assessment**

The assessment questions below are completed for all characteristics identified for full assessment in the initial assessment phase.

#### **3.1 Race - Assessment Questions**

##### **3.1.1 Race - Relevance**

Race	Relevant
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**Comment:**

One of the staff impacted by the change is BAME, however there is no differential because of their protected characteristic. All employees involved will be offered the choice to transfer to the new organisation or be redeployed to a suitable post within Birmingham City Council

#### **3.1 Concluding Statement on Full Assessment**

A demographic of employees affected by the change was obtained from HR; this information was then used to feed the EIA.




















One of the staff impacted by the change is BAME, however there is no differential because of their protected characteristic. All employees involved will be offered the choice to transfer to the new organisation or be redeployed to a suitable post within Birmingham City Council.

### **4 Review Date**

02/04/18

### **5 Action Plan**

There are no relevant issues, so no action plans are currently required.

LoB/Rep - Commercialism Programme - Milestones for CHP															
Senior Responsible Officer				Programme Manager/Project Manager											
				KEY:  completed  On target  at risk, plan in place  issue stopping delivery											
REF	DELIVERABLES/ MILESTONES	LEAD RESPONSIBILITY	BY	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17
	Development of Commercial Relationship between LoB and Rep														
1.1	Opportunity identified and financial potential explored	Corporate Director for Place	External Consultant												
1.2	Establish the new company	Corporate Director for Place	BREL												
1.3	Establish project terms, project governance, budget and initial project plan	Corporate Director for Place	BREL/ Head of Commercialism												
2.1	Develop operating model, structure and options	Corporate Director for Place	BREL/ Head of Commercialism												
2.2	Consult with Unions	Corporate Director for Place	Head of Library Resources												
2.3	Consult with impacted colleagues	Corporate Director for Place	Head of Library Resources												
3.1	Develop Final Business Case	Corporate Director for Place	Head of Commercialism/ Head of City Finance												
3.2	Cabinet Approval	Corporate Director for Place	Head of Library Resources												
3.3	Comms Plan Developed	Corporate Director for Place	Head of Communications												
4.1	Soft Launch of new company	Corporate Director for Place	Commercial Director												
4.2	New company procure supply chain	Corporate Director for Place	Commercial Director												
4.3	Formal contractual arrangements signed between BCC, new company and BREL	Corporate Director for Place	Head of Legal												
4.4	Formal consultation on transfer and options with impacted staff	Corporate Director for Place	Head of Library Resources												
5.1	Transfer of data and intellectual assets to new company	Corporate Director for Place	Head of Legal												
6.1	Transfer of staff to new company and cesation of current LoB contracts	Corporate Director for Place	Head of Library Resources												

LoB/Rep - RISK REGISTER											
Senior Responsible Officer				Programme Manager/Project Manager							
Risk ID	Project	Date identified	Risk title and description	Risk Owner	Opening Risk Score			Mitigating Actions	Current Risk Score		
					Likeli-hood	Impact	Risk score		Likeli-hood	Impact	Risk score
1	Commercial relationship LoB/Rep	01.01.2017	<b>Financial Returns not achieved</b>	CD Place	3	4	12	- effective management of contract and activities - effective governance to put in place mitigations where required to address under performance	2	3	6
2	Commercial relationship LoB/Rep	01.01.2017	<b>Negative impact on other Council assets or relationships</b>	CD Place	3	3	9	- effective contact management and parameters of the business - ongoing relationship management with other partners in cultural sector	2	2	4
3	Commercial relationship LoB/Rep	01.01.2017	<b>Core cultural values compromised</b>	CD Place	3	4	12	- protection of cultural values within contract - any impact understood and managed through governance arrangements	2	2	4
4	Commercial relationship LoB/Rep	01.01.2017	<b>Failure to achieve timescales, leading to a delay in realising income</b>	CD Place	3	4	12	- project manager put in place with some project support to drive the - business resources to make project a priority	2	4	8

5	Commercial relationship LoB/Rep	01.01.2017	<b>Negative response from staff and or customers</b>	Head of Library Resources	4	4	16	<ul style="list-style-type: none"> <li>- create clear communication plan and options for key stakeholders and engage in process</li> <li>- develop a transition plan to support effective movement to new model</li> <li>- develop clear options for colleagues</li> </ul>	2	4	8
6	Commercial relationship LoB/Rep	01.01.2017	<b>Project costs exceed estimates</b>	Project Manager	3	3	9	<ul style="list-style-type: none"> <li>- joint project budget developed with BREL, with reasonable level of confidence/contingency</li> <li>- frequent reviews of progress against budget</li> <li>- options developed to mitigate increase in costs where appropriate</li> </ul>	2	3	6

LoB/Rep - Commercialism Programme - RESOURCE PLAN																													
Senior Responsible Officer																													
No of FTE required over 1 calendar month																													
Type	February-17		March-17		April-17		May-17		June-17		July-17		August-17		September-17		October-17		November-17		December-17		January-18		February-18		March-18		
	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	Required	Available	
Business SME i.e HoS, social worker			0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.6	0.6	0.6	0.6	0.2	0.2	0.2	0.2									
Communications									0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2											
Legal			0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1											
Procurement																													
Programme/Project Manager	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6							
Total Resources	0.6	0.6	1.2	1.2	1.1	1.1	1.2	1.2	1.4	1.4	1.6	1.6	1.6	1.6	1.5	1.5	1.1	1.1	0.8	0.8	0.6	0.6	0	0	0	0	0	0	0

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>CHIEF OPERATING OFFICER</b>
<b>Date of Decision:</b>	<b>25<sup>th</sup> July 2017</b>
<b>SUBJECT:</b>	<b>PROCUREMENT STRATEGY FOR THE PROVISION OF DESIGN, CONSTRUCTION AND FACILITIES MANAGEMENT SERVICES (DCFM)</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 002967</b>
<b>If not in the Forward Plan:</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Cabinet Member(s):</b>	<b>Councillor Ian Ward, Deputy Leader, Councillor Majid Mahmood, Cabinet Member for Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Mohammed Aikhlaq, Corporate Resources and Governance Committee</b>
<b>Wards affected:</b>	<b>ALL</b>

### 1. Purpose of report:

- 1.1 The Private agenda report deals with the confidential and / or exempt information not covered in the Public report. The two reports, private and public, must be read together as this Private report does not repeat information contained in the Public report.
- 1.2 The purpose of this public report is to obtain approval for the tender strategy and seek authority to proceed with the procurement of a third party organisation to provide design, construction and Facilities Management ('DCFM') services including integrated or direct services (i.e. cleaning and Birmingham City Laboratories Services ((BCL)) currently provided by Birmingham City Council's (the Council) Wholly-Owned Company ('WOC'); Acivico Limited ('Acivico') through its subsidiary Acivico DCFM Limited pursuant to contracts dated 28<sup>th</sup> September 2012 and 9<sup>th</sup> April 2015 respectively.
- 1.3 The proposed contract will commence on 1<sup>st</sup> April 2019 for a period of six (6) years, with an option to extend for an additional period of four (4) years, subject to satisfactory performance resulting in a maximum contract duration of ten (10) years. The average annual turnover for Acivico over the last two years is £33.2m.
- 1.4 The procurement route to be utilised in accordance to the Public Contracts Regulations 2015 and the Public Procurement (Amendments, Repeals and Revocations) Regulations 2016 is the Competitive Dialogue procedure ('CD'). Further details are included in **Appendix A – Procurement Strategy**.

<b>2. Decision(s) recommended:</b>
2.1 That Cabinet notes the contents of this report.

Lead Contact Officer:	Mike Smith – Head of Commissioning Corporate Procurement Services Strategic Services Directorate
Telephone No:	0121 303 7519
E-mail address:	<a href="mailto:mike.smith@birmingham.gov.uk">mike.smith@birmingham.gov.uk</a>
Additional Contact Officer:	Ann Marie Rochford - Procurement Manager Corporate Procurement Services Strategic Services Directorate
Telephone No:	0788 135 8476
Email address:	<a href="mailto:ann-marie.rochford@birmingham.gov.uk">ann-marie.rochford@birmingham.gov.uk</a>

<b>3. Consultation</b>
3.1 <u>Internal</u>
3.1.1 The Leaders of both the Conservative and Liberal Democratic groups have been consulted and support the proposals set out in this report.
3.1.2 Acivico including its directors has been consulted regarding the preparation of this report.
3.1.3 Acivico are having on-going discussions with affected staff and trade unions in respect of the commissioning process for DCFM services. The Council and Acivico will conduct further consultations (with early engagement where possible) with staff and trade unions in accordance to the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") and the milestones detailed in the Private report; paragraph 2.5
3.1.4 Officers from Birmingham Property Services (BPS), Education Infrastructure (EdI), Legal Services, Finance, Corporate Procurement and HR have been involved in the preparation of this report.
3.1.5 Further consultation, including statutory consultation obligations, will be undertaken by Birmingham City Council; (the Council) and Acivico concerning, all affected employees, trade unions, as the procurement proceeds.
3.2 <u>External</u>
3.2.1 The proposals will be shared with Head Teacher representatives from Primary, Secondary and Special School Forums, representatives from the early years sector, Professional Associations and Trade Unions.



<b>4.</b>	<b>Compliance Issues:</b>
4.1	<u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u>
4.1.1	<p>This proposed arrangement will support the following specific objectives:</p> <ul style="list-style-type: none"> <li>• investing in priorities and addressing pressures</li> <li>• The Council's Vision and Forward Plan priorities: <ul style="list-style-type: none"> <li>- a healthy city and a great place for people to grow old in</li> <li>- a great city for children to grow up in</li> <li>- a great city to live in with decent homes for all</li> <li>- a city where citizens succeed because they have skills required for the jobs on offer</li> </ul> </li> <li>• Also refer to <b>Appendix B - Council's Vision for Design, Construction and Facilities Management Services (DCFM)</b> which provides further support and evidence on the Council's vision</li> </ul> <p><u>Birmingham Business Charter for Social Responsibility (BBC4SR)</u></p>
4.1.2	Compliance with the BBC4SR will be a mandatory requirement for tenderers and will form part of the conditions of contract. Tenderers will be required to submit an action plan with their tender that will be evaluated in accordance with section 5 of this report. The action plan of the successful tenderer will be implemented and monitored during the contract period.
4.1.3	It will also be a mandatory requirement that the 2nd tier supply chain, procured by the contractor will comply with the BBC4SR and produce action plans with commitments proportionate to the value of the services provided throughout the contract period.
4.2	<u>Financial Implications</u>
4.2.1	Details of the Financial Implications are set out in the Private report.
4.3	<u>Legal Implications</u>
4.3.1	The works and services carried out under the proposed DCFM outsourcing will be in relation to Council owned buildings. Because of the numerous Council services and functions carried out from such buildings it is not practical to include, in this report, details of all relevant legislation enabling those services and functions to be carried out.
4.3.2	The requirements of the Data Protection Act 1998 and Human Rights Act 1998 will be taken into consideration in terms of the processing, management and sharing of data involved in these proposals. The recommended tenderer will be required to demonstrate or evidence that they have appropriate policies and procedures relating to data protection in place. A full diligence exercise will be undertaken by Legal Services. Data Processing / Sharing Agreements will be agreed with the recommended tenderer.
4.3.3	The transfer of staff will take place by operation of law if the conditions in the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") are satisfied.

Acivico will provide details to the successor of those personnel they believe to be entitled to transfer with the undertaking.

#### **4.4 Public Sector Equality Duty**

4.4.1 An initial Equalities Assessment has been completed to decide whether the commissioning and planned procurement of an organisation for the provision of the services currently provided under the DCFM contracts has any relevance to the equality duty contained in Section 149 of the Equality Act 2010. The initial screening identified that there was no requirement to assess it further at this stage; another assessment will be carried out following the procurement exercise.

4.4.2 The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunities Policy and the Equality Act 2010 will be incorporated into the terms of the extended contracts, as they are incorporated in the terms of the current DCFM contracts and any subsequent contract with the appointment of third party organisation.

### **5. Relevant background/chronology of key events:**

#### **5.1 Background**

5.1.1 The Council is undertaking the re-commissioning of its DCFM services. The report to Cabinet in December 2016 set out the Council's aim to create a more flexible and commercially focused model of service delivery to promote and facilitate partnership working that provides the optimum service for the Council and its citizens.

5.1.2 The report explained why the Council wanted to move away from a WOC model for these services and the outcome of a market sounding exercise that demonstrated the benefits of procuring an alternative model and the procurement of a Joint Venture (JV) partner was recommended.

5.1.3 During the market sounding exercise there were a number of overlaps between the perceived strengths and weaknesses of the JV option as compared with Strategic Outsourcing, with the two terms used almost interchangeably at times, with only a 2% difference in their qualitative scores.

5.1.4 The key perceived benefits of the JV model included the potential income the Council would receive as a JV partner, and the ability to introduce significant change to the scale or scope of services. The 'cost' of these perceived benefits include more complex and expensive contractual arrangements, a smaller pool of service providers willing to adopt this approach, the requirement on the Council to apply appropriate resource to the JV partner and the expectation of a longer term (10 years +) contract to offset the additional set-up costs.

5.1.5 The majority of the benefits detailed in the Cabinet report could equally be delivered by either model, and since December the priorities for these services have been clarified and the Council has developed its visioning document. Therefore there is a risk that the Council may pursue a JV model based on assumptions and considerations that have evolved since the Cabinet report. Given the intelligence gathered and considered since the December 2016 Cabinet report, it is recommended that a strategic outsourcing model is approved

- 5.1.6 In considering the performance of the benchmark public/private sector DCFM JV it is clear that potential to generate income for the Council is limited without very significant external growth of the JV business, and more certain financial benefit for the Council exists in the opportunity to improve the efficiency of Acivico and the services delivered. Although the strategic outsource model may be less flexible with regard to introducing significant change to scope or scale (as the council will no longer have the control currently afforded as sole shareholder), this is offset by the increased flexibility in changes in demand and contract term (six (6) years, with an option to extend for an additional period of four (4) years, subject to satisfactory performance resulting in a maximum contract duration of ten (10) years).
- 5.1.7 The delivery model now considered to provide the best fit for the council and therefore recommended for these DCFM services is the strategic outsourcing option for the following reasons:
- a) That the Council's clear priority for these services is the achievement of value for money (VFM) and the implementation of a lean and efficient system of working, rather than requiring this in addition to the future growth of a JV partner for which the Council would be a minority shareholder.
  - b) That the Council has no desire to achieve transformational change through this vehicle for other related agendas (e.g. energy strategy, SMART City etc.). This would require large-scale long-term investment from a partner, whereas the Council needs to focus its attentions on reducing its costs and moving towards an optimised, commercially competitive model. An area where the Council can improve is to initiate change to a more planned approach to its repair and maintenance work, rather than a reactive approach.
  - c) That the Council has no aspiration for retaining Acivico as a WOC per se. The Council's commissioning approach is delivery model neutral and will pursue the best provider arrangement for a particular service. It is not a pre-requisite that Acivico needs to be retained for future service provision.
  - d) That the Council does not need to have a controlling interest in the delivery of DCFM services. It is more important to focus on establishing the right contract terms and the correct contract management skills in its management function.
  - e) That the Council wishes to transfer appropriate service delivery risk to the private sector rather than take on a share of the additional risk that would accompany any external growth of a JV business.
- 5.18 The net benefit analysis summary, as appended to the Private report, indicates a higher financial benefit to the Council of pursuing the outsourcing option. The outsourcing option will avoid the establishment costs of the JV partner, with its additional shareholder and JV agreements. The difference in financial benefit between outsourcing and JV model is however small and consequently the council will, through the dialogue process with the market, ensure that its assumptions on the financial benefits and risk transfers are correct. The process will require the market to give their commercial view on the optimal delivery model for service provision and the council will pursue that which provides the greatest financial and risk benefit to itself.

## 5.2 Scope of Services

- 5.2.1 It should be noted that Building Consultancy (BC) will not form part of this procurement activity. BC will continue under the control of the council either as a hybrid in-house with company trading ability or as a WOC. A separate report on the future of BC was approved by Cabinet on May 16<sup>th</sup> 2017.
- 5.2.2 It should be noted that the Civic Catering aspect of Acivico's services should not be included in the scope of the services to be outsourced. A further report on the exact nature of the delivery model will be presented to Cabinet by the end of 2017. Details of the options appraisal are set out in the Private report.
- 5.2.3 Therefore the scope and range of services that will be procured are those services provided by Acivico under the variation and extension agreement for design construction and facilities management services and integrated services (excluding Civic Catering), including Design and Construction Services, Repairs and Maintenance (hard facilities management), BCL and Cleaning.

## 5.3 Procurement Strategy

- 5.3.1 Please refer to **Appendix A – Procurement Strategy**.

## 5.4 Contract Management

The Acivico DCFM contract and supply chain arrangements are managed in a number of ways across the Council.

- 5.4.1 Landlord Functions within the Council preside over estate / property strategy for a number of portfolios including, for example, Central Administration Buildings, Customer Service Buildings, Commercial & Industrial, Education (Schools). Revenue budgets associated with the operation and support of buildings within these portfolios, in some cases are centralised but in the main are held and distributed across occupying Council service areas. At present the Landlord functions take both a strategic and operational interest in their respective building portfolios as well as taking a hands-on role in the delivery of both major capital projects and capital maintenance programmes. As such these functions incorporate programme / project management, building surveying, quantity surveying teams / resources which are in turn supported several Client side data management systems.
- 5.4.2 The Acivico contract is monitored and managed by the Council through an Intelligent Client Function comprising a small team retained within Corporate Procurement with support from lead representatives from client landlord and corporate support functions. A number of strategic and operational performance meetings have been established to monitor the performance of the Council's WOC alongside a suite of formal KPI's and Management Information measures.
- 5.4.3 The Councils Corporate Procurement team retain ownership of all primary goods, services and works contracts including the Constructing West Midlands (CWM) framework suite.
- 5.4.4 A Strategic Partnering Board representing senior officers from Acivico and the Council meet monthly and it is likely that the new arrangement will require a senior partnership

arrangement with the new provider.

- 5.4.5 The new contract will require a client function and governance arrangement which will require an adjustment to these arrangements. Further information on this function will be detailed in the award report.

## **6. Evaluation of alternative option(s):**

- 6.1 Refer to the Cabinet report dated 13<sup>th</sup> December 2016 entitled 'Commissioning Strategy for Construction Related and Facilities Management Services' and available as background documentation.

## **7. Reasons for Decision(s):**

- 7.1 To enable the commencement of the procurement process for a third party organisation to provide design, construction and Facilities Management (DCFM) services including integrated or direct services (i.e. building cleaning and Birmingham City Laboratories Services) through a competitive dialogue process in order to ensure the best option for the Council is implemented.

## **Signatures:**

Councillor Ian Ward .....Date .....  
**Deputy Leader**

Councillor Majid Mahmood .....Date .....  
**Cabinet Member for Value for Money and Efficiency**

Angela Probert .....Date.....  
**Chief Operating Officer**

## **List of Background Documents used to compile this Report:**

1. Cabinet Report dated 13<sup>th</sup> December 2016 entitled 'Commissioning Strategy for Construction Related and Facilities Management Services'

## **List of Appendices accompanying this Report (if any):**

Appendix A – Procurement Strategy

Appendix B – Council's Vision for Design, Construction and Facilities Management Services (DCFM)

## Procurement Strategy

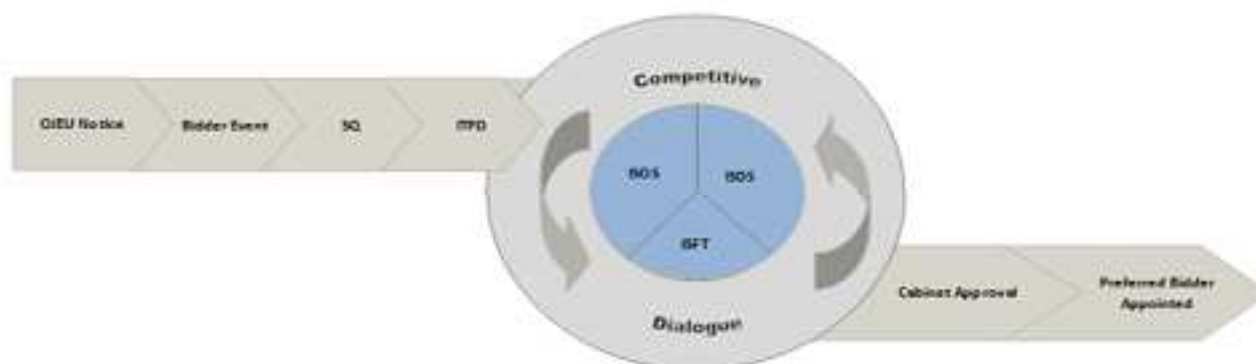
### Indicative Procurement Timeline

5.3.1 Note that dates may be subject to change.

<b>Deliverable / Milestone</b>	<b>Anticipated Timetable</b>
Approval of Procurement Strategy	July 2017
Advertise OJEU / Intend / Journal Adverts / FIIB	Aug 2017 - Sep 2017
Issue Selection Questionnaire (SQ); (return, evaluate and long List)	Aug 2017 - Nov 2017
<b>Invitation to Participate in Dialogue (ITPD)</b>	
Invitation to Submit Outline Solution Stage (ISOS) (inc dialogue meetings, evaluations and report)	Nov 2017 - March 2018
Invitation to Submit Detailed Solution (ISDS) (inc dialogue meetings, evaluations and report)	Mar 2018 - Jun 2018
Invitation to Submit Final Tenders (ISFT) (inc dialogue meetings, evaluations and Cabinet report)	Jul 2018 - Nov 2018
Scrutiny Call In	Nov 2018
Alcatel (10 days mandatory standstill period)	Nov 2018 - Dec 2018
Contract Execution and Signing	Dec 2018 - Jan 2019
Mobilisation	Feb 2019 - Mar 2019
Contract Commencement	April 2019

### Procurement Route

5.3.2 In accordance with the Public Contracts Regulations 2015 and the Public Procurement (Amendments, Repeals and Revocations) Regulations 2016, the Council will adopt for this procurement the CD procedure as depicted below:



- 5.3.3 As the CD procedure does not impose any time restrictions on the process, it provides increased flexibility to both the Council and tenderers. It also allows for early due diligence for all parties and should reduce bid costs for unsuccessful tenderers as there are gateways at each stage of the process that allows tenderers to either drop out or to be discounted from the process.
- 5.3.4 The ITPD is conducted in successive stages, with gateways. It is proposed that tenderers will make an initial presentation on their thoughts on the service and how the contract could be delivered. This will be followed by dialogue with individual tenderers to discuss and articulate options of possible solutions. This part of the process allows for the definition of a solution that is most likely to lead to the achievement of improved service levels and overall value for money.
- 5.3.5 Throughout the course of the CD the evaluation will provide coverage of fundamental measures such as, but not limited to, cost, quality, risk, operational capacity, KPIs, technical expertise, customer care and affordability. Other dimensions such as value for money, performance, strategic vision, innovation and creativity, integration and implementation will also be incorporated.
- 5.3.6 To assist tenderers with the construction of their bids, the Council will, prior to the commencement of each stage of the process, supply more detailed information on the evaluation criteria for that particular stage. This will be issued alongside the invitations to participate, providing clarity on the key areas the Council will be assessing and the weighting that will be applied to each.
- 5.3.7 The CD process can be divided into stages:
- **Stage 1: SQ.** This stage allows the Council to assess for example tenderers status and legitimacy, commercial, technical ability and professional competence, financial standing, insurance, environmental, health and safety to determine whether they meet the minimum criteria of the contract. The aim at this stage is to deselect down to 6 tenderers.

#### **Invitation to Participate in Dialogue Structure:**

- **Stage 2: ISOS.** This is the beginning of 'The Dialogue Phase' which formally acknowledges the need to talk around solutions, develop ideas and explore options and provision of the required service. Tenderers long-listed from the SQ stage are invited to participate in dialogue with the Council and receive an ITPD pack of information which defines the Council's needs and requirements. Tenderers then submit an outline proposal (excluding pricing proposals) which is evaluated and a short-list will be determined who will be invited to take part in the ISDS stage. This will effectively be the first gateway of the ITPD where some tenderers may choose to drop out of contention or are not shortlisted by the Council. The aim at this stage is to deselect down to 4 tenderers.
- **Stage 3: ISDS.** The dialogue in the 'ISDS' stage focuses on the development of a detailed proposition of how the required services will be organised, delivered, and governed. The dialogue will continue until the Council has clearly identified and specified its detailed requirements, and solution(s) capable of meeting these have been determined acceptable by the Council. These solutions will then form the basis upon which Final Tenders (FT) will be submitted. The Council will formally declare when the dialogue has been concluded and will notify which of the remaining

tenderers are invited to submit Final Tenders. The aim at this stage is to deselect down to 2 tenderers.

- **Stage 4: ISFT.** The Council will invite selected tenderers to submit their final offers. The FT must contain all the elements required and necessary for the performance of the proposed contract. A preferred tenderer will be appointed and there will be limited scope to make any amendments to the FT. The core purpose of the Dialogue is that negotiations are brought upstream in the procurement process, helping to shape the tender and limit the need for further amendments at a later stage. The aim at this stage is to conclude with a single tender that can be recommended for award.
- **Important Feature CD:** It should be noted that the nature of the CD is such that it may be necessary to further review the scope of the services and the number of provider(s) that may be awarded the contract(s) in order to establish the optimum delivery model for the Council. Any future developments that transpire through the CD process will be reported in accordance with paragraph 2.5 of the Private report.

5.3.8 Throughout the course of the procurement the dialogue and evaluation will provide coverage of fundamental measures such as, but not limited to, cost, quality, social value, terms and conditions of contract, risk, operational capacity, KPIs, technical expertise, customer care and affordability. These cut across the key evaluation criteria outlined in paragraph 5.3.15.

#### Contract Duration

5.3.9 Currently the Council anticipates that the contract duration for this procurement is up to a period of six (6) years, with an option to extend for an additional period of four (4) years, subject to satisfactory performance resulting in a maximum contract duration of ten (10) years.

#### Evaluation of Bids and Scoring Methodology

5.3.10 Tender evaluations will be divided in to five work streams and facilitated by Corporate Procurement Services (CPS):

- WS1 Soft FM
- WS2 Hard FM
- WS3 Capital Programme / Project Delivery
- WS4 Financial and Commercial
- WS5 Legal

5.3.11 Key clients (Birmingham Property Services and Education Infrastructure) together with subject matter experts will be involved in the CD process including the evaluation of tenders through to Stage 4 - FT as it is essential that the Council retains knowledge and expertise prior to final award. This position will provide confidence to tenderers that all parties are treated with fairness and equality.

5.3.12 It should be noted that dialogue at FT will not close until all parties to the CD process are confident that no issues or clarifications remain outstanding. This includes the conclusion of the terms and conditions of the contract.



5.3.13 Tenders will be evaluated using the quality / social value / price balance on accordance with a pre-determined evaluation model. The quality element will account for 40%, social value 10% and price 50%. This quality, social value and price balance has been established having due regard to the Corporate document 'Evaluating Tenders' which considers the complexity of the services to be provided and the degree of detail contained within the contract specification.

#### Evaluation of the SQ

5.3.14 The key criteria on which the tenderers will be evaluated against during the SQ are as follows. The scoring regime / sub-weightings for 'Part 1 – 3 will be documented in the OJEU notice and also in the ITPD suite of documents.

<b>SQ</b>
Part 1: Potential Supplier Information
Part 2: Exclusion Grounds
Part 3: Selection
- Economic and Financial Standing
- Technical and Professional Ability
- Modern Slavery Act 2015
- Insurance
- Health and Safety
- Environmental Sustainability
- Energy Management Systems
- Quality Management Process
- Compliance with Equalities
- Birmingham Business Charter for Social Responsibility
- Supplier Portal
- Supply Chain Financing Solution
Part 3: Additional Project Specific Questions
- Service Delivery
- Commercial
- Management and Organisation
- Technology
- Financial

#### Evaluation Structure for the Invitation to Participate in Dialogue:

5.3.15 The following are key themes documented under 'Quality' will cut across the evaluation of each workstream during the ITPD. The scoring regime weightings for 'quality', 'social value' and 'price' will be documented in the OJEU notice and also in the ITPD suite of documents:

<b>Quality Proposals (40% Weighting)</b>
<b>Lean</b> - <i>The Council aims to ensure an efficient end to end quality process for Council customers. Culture, Trust, avoiding duplication.</i> Proposals for a lean interface with Council functions.
<b>Sustainable</b> - <i>Confidence in the stability of the provider and its ability to introduce a planned maintenance strategy.</i> Proposals for how the Council can implement a Planned Maintenance Strategy for its CAB estate and other buildings.

<p><b>Flexibility</b> - <i>To meet changing demand of the Council recognising a reducing estate in line with the Future council program and develop opportunities to grow – e.g. The West Midlands Combined Authority, other Public and Private Sectors</i></p> <p>Proposals on how providers can support the rationalisation of the Council's portfolio, and how they can manage the challenges of operating without visibility of a pipeline of work.</p>
<p><b>Management of Risk</b> - <i>Operational, Legal, Reputational, optimise the transfer of contractual risk from the Council</i></p> <p>Demonstration of a transparent, competitive methodology for the delivery of major capital schemes, ensuring value for money is achieved.</p> <p>Proposals on how the provider will manage the expiry of the current Lot 7 framework in Sept 2019.</p>
<p><b>Service Improvement</b> – Proposals for continuous improvement, particularly around demonstrating value for money, over the life of the contract</p>
<p><b>Transition</b> – Management of implementation issues and their impact on the Council</p>
<p><b>People</b> – Ensuring the best endeavours are made to protect the rights of Acivico staff in the new organisation</p>

<b>Social Value Proposals (10% Weighting)</b>
Local Employment
Buy Birmingham First
Partner in Communities
Good Employer
Green and Sustainable
Ethical Procurement

<b>Price Proposals (50% Weighting)</b>
Pricing
Pricing Approach to Deliver Services

5.3.16 The evaluation process will reserve the right (but not the obligation) for the Council not to invite any tenderers to the Final Tender stage or award a contract who score:

- Below a **60%** threshold in terms of quality
- Below a **40%** threshold in terms of social value
- 0% in any one section or Zero / no response in any one scored question
- Fails to pass a Pass/Fail criteria question.

## Council's Vision for Design, Construction and Facilities Management Services (DCFM)

### 1. Background

- 1.1 An options appraisal was undertaken in 2016 based on a market-sounding exercise, and in December Cabinet gave approval for the Council to procure a Joint Venture partner, in which the Council would have a minority shareholding.
- 1.2 In developing the procurement strategy, the core Council team have considered what the JV will look like and what we will ask it to deliver. In scoping this, a number of issues have arisen in respect of the Council's vision for these services.
- 1.3 In the Cabinet report the scoring was extremely close between a JV partner and Strategic Outsource. This paper sets out the Council's vision and aspirations for its DCFM services and the way forward for the various aspects of this vision.

### 2. The Council's Vision

- 2.1 The Council's key priorities for these services were set out in the Cabinet report as follows:

A Cost effective Approach	A Sustainable Approach
A Lean Operating Model	Flexibility
Management of Risk	Inclusive Economic growth

### 3. A Cost effective approach

- 3.1 The market sounding exercise revealed that the existing arrangement has a high overhead percentage for the delivery of these services. One of the key priorities for a new model is to drive down the cost of delivery and therefore the new model will need to address any excess costs in the Acivico operating model.
- 3.2 The reduced total cost of service delivery, includes provider costs, client costs, the works costs and impact on the Council e.g. taxation, pension liabilities etc., and the cost of moving to a new model. Value for money is seen as the primary driver for these services.
- 3.3 **Way forward:** Ensure the pricing methodology allows for competitive tension and arrives at a contractual arrangement that demonstrates on-going value for money.

#### 4. **A Lean Operating Model**

- 4.1 The Council aims to ensure an efficient end-to-end quality process for Council customers. Moving the managing agent function (Acivico) to an externally contracted provider will lead to a reconfiguration of the Council's interface with its provider.
- 4.2 As part of the procurement exercise, the Council will need to design a client function that complements the delivery model, has the right balance of subject-matter expertise and efficiently manages the Council's priorities for these services. This will require the reassessment and potential redesign of the Council's current interfaces with Acivico, namely Birmingham Property Services (BPS), Education Infrastructure (EdI) and Corporate Procurement (CPS).
- 4.3 **Way forward:** Ensure the Council is clear to the market about how it interfaces with the current provider (Acivico) and invite proposals on how this interface will work under the new contract.

#### 5. **A Sustainable approach**

- 5.1 The Council needs to have confidence in the stability of the provider and its ability to sustain a long-term positive strategic relationship with the Council in a competitive market - including the ability to effectively manage and utilize the supply chain.
- 5.2 The market sounding exercise recommended a greater emphasis on direct delivery with a reduction of margin-on-margin managed arrangements.
- 5.3 In developing its vision for repair and maintenance, the Council recognises the need to move away from an emphasis on reactive maintenance to a planned approach. Spend information shows that we spend around 70% on reactive works. This is not sustainable and the introduction of a new approach with a level of investment is required to develop a maintenance strategy for planned works. The Council will need to evaluate the impact of bidders' proposals for a planned maintenance strategy on its resources, as well as its approach to allocation of budgets.
- 5.4 In order to achieve this, the Council needs a greater understanding of its assets which will inform the approach to rationalisation of its portfolio. Currently we have only very limited condition survey information across the estate. Additional investment in assets would be required to ensure value is maximised.
- 5.5 **Way forward:** The Council should aspire to establishing a planned maintenance strategy as a key deliverable of the new model. The governance arrangements for the new provider will form part of the competitive dialogue.

#### 6. **Flexibility**

- 6.1 Clearly the delivery of the Council's DCFM services needs to have the flexibility to both support a reducing estate in line with the Future Council programme and develop opportunities cross the wider sector - e.g. The West Midlands Combined Authority, other Public and Private Sectors.

6.2 Therefore the new delivery model needs to inform and help facilitate the rationalisation of the Council's portfolio. The OJEU notice will identify public sector partners that are interested in having the option to use the new model. Acivico have an action to engage with partners to confirm the extent of this, as well giving evidence of the impact of Academisation of schools on the demand for their services.

6.3 **Way forward:** Seek proposals from the market to support the rationalisation of the Council's portfolio. Acivico to confirm their findings in respect of the impact of Academisation, and from engagement with potential partners, and the Council to reflect these findings in the OJEU.

## 7. **Management of Risk**

7.1 Our current understanding is that out of a potential total of several thousand property assets, in-scope buildings account for circa 400-450 non-school properties, and circa 200 school properties.

7.2 Were we to continue with a reactive-only approach, we would only be able to transfer the risk of undertaking statutory maintenance, not building condition. A planned maintenance approach could deliver more cost-effective maintenance to a reducing number of buildings and therefore transfer condition risk.

7.3 The Council also needs to ensure that the opportunity is appealing to the market, given the Council's reducing size. Furthermore the attractiveness of the Lot 7 arrangement needs to be built upon to ensure an effective capital projects framework is accessible by third public sector parties.

7.4 Employment risks, e.g. pension liabilities will need to be managed in establishing the new delivery model, and negotiated as part of the competitive dialogue.

7.5 From the market exercise it was clear that, should a form of JV arrangement be sought, then potential partners (providers) would need some form of majority ownership/control to be able to implement the necessary organisational changes to Acivico and introduce a more commercial approach to the delivery of these services. Additionally, financial certainty for projects and services is seen as a key priority for clients.

7.6 **Way forward:** The Council to ensure that employment risks are managed through competitive dialogue process.

## 8. **Inclusive Economic Growth**

8.1 The organisational strength of the new model will support local growth, development and wellbeing. This will deliver the Council's aspirations for Social Value through the Birmingham Business Charter for Social Responsibility.

8.2 The growth agenda was a central part of Acivico's long-term vision as presented during the market-sounding, however when analysed further, growth and surplus-return is likely to be of limited value to the Council. In considering the performance of the benchmark public/private sector DC&FM JV it is clear that potential to generate income for the Council is limited without very significant external growth of the JV business, and more certain financial benefit for the council exists in the opportunity to improve the efficiency of Acivico and the services delivered.

- 8.3 In the market sounding exercise we noted that Authorities that had entered into long-term (10 year +) contracts had a strategy to leverage the contract to deliver or support wider transformation objectives, requiring an investment of capital or resource from the JV or strategic partner. Typically this included investment in delivering property rationalisation, investing in energy efficiency improvement, SMART infrastructure, technology & systems, inward investment to the region and delivering 3rd party income from assets.
- 8.4 Alongside these aspirations is the reality of the Council's budgetary challenges and as a priority the Council needs to implement its future operating model, supported by an informed rationalisation of its building portfolio. Therefore any investment from bidders needs to be targeted at an improved understanding of our stock and an informed prioritisation of our reduced portfolio. This may impact on the optimal contract period and so therefore the contract length will form part of the competitive dialogue.
- 8.5 Although it is clear that the Council's building portfolio will reduce, the profile of the reduction is yet to be determined and will be influenced by local service need and the relative cost/value of sites. As part of the procurement we will be able to give bidders visibility of the direction of travel for different services and the building portfolio to which they relate, however we need to avoid the scenario where they just cherry-pick sites.
- 8.6 **Way forward:** The Council will indicate to the market that it is not seeking any wider transformational change from this arrangement and that any investment is focused on giving a commercial focus to the new service and on implementing a maintenance strategy for a reducing stock.
- 8.7 The Council will provide its best information on which services are being targeted for reduction and the buildings this will impact on. The competitive dialogue will negotiate on the appropriate contract length to reflect this.
9. **Impact of the Vision on the Procurement Strategy**
- 9.1 As the Council's drive for better value for money is seen as a priority over the growth agenda for the new model, the Council is in danger of embarking on a procurement for a JV partner that may be costly to set-up, introduce a substantial amount of governance and may not deliver on the above priorities in the most effective way.
- 9.2 For this reason, a Strategic Outsourcing option has been further investigated as an alternative through the procurement process. A decision on the preferred approach will be included in the July cabinet report.
- 9.3 These changes to the procurement strategy will require the Council to reconsider the role of Acivico in the procurement process. The Council would also need to reconsider whether any additional services should be added to, or excluded from, the scope, if we were to pursue a strategic outsource option.
- 9.4 **Way Forward:** A decision to be made on the preferred procurement strategy and this should be incorporated in the July cabinet report.

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>DIRECTOR OF COMMISSIONING &amp; PROCUREMENT</b>
<b>Date of Decision:</b>	<b>25<sup>TH</sup> JULY 2017</b>
<b>SUBJECT:</b>	<b>PLANNED PROCUREMENT ACTIVITIES (AUGUST 2017 – OCTOBER 2017) AND QUARTERLY CONTRACT AWARD SCHEDULE (APRIL 2017 – JUNE 2017)</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref: n/a</b>
<b>If not in the Forward Plan: (please "tick" box)</b>	Chief Executive approved <input type="checkbox"/> O&S Chairman approved <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Cllr Majid Mahmood – Value for Money and Efficiency</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Mohammed Aikhlaq, Corporate Resources and Governance</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
1.1 This report provides details of the planned procurement activity for the period August 2017 – October 2017 and all contract award decisions made under Chief Officer's delegation during the previous quarter. Planned procurement activities reported previously are not repeated in this report.

<b>2. Decision(s) recommended:</b>
That Cabinet
2.1 Notes the planned procurement activities under officer delegations set out in the Constitution for the period August 2017 – October 2017 as detailed in Appendix 1.
2.2 Notes the contract award decisions made under Chief Officers delegation during the period April 2017 – June 2017 as detailed in Appendix 2.

<b>Lead Contact Officer (s):</b>	
<b>Telephone No:</b> <b>E-mail address:</b>	Nigel Kletz - Director of Commissioning and Procurement Corporate Procurement Services Strategic Services Directorate 0121 303 6610 Nigel.kletz@birmingham.gov.uk

### **3. Consultation**

#### **3.1 Internal**

This report to Cabinet is copied to Cabinet Support Officers and to Corporate Resources and Governance Overview & Scrutiny Committee and is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Corporate Resources and Governance Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

#### **3.2 External**

None

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies**

4.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

#### **4.1.2 Birmingham Business Charter for Social Responsibility (BBC4SR)**

Compliance with the BBC4SR is a mandatory requirement that will form part of the conditions of the contracts. Tenderers will submit an action plan with their tender that will be evaluated in accordance with the agreed evaluation criteria and the action plan of the successful tenderers will be implemented and monitored during the contract period. Payment of the Living Wage, as set by the Living Wage Foundation, is a mandatory requirement of the BBC4SR and will apply for all contracts in accordance with the Council's policy for suppliers to implement the rate.

#### **4.2 Financial Implications**

Details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

#### **4.3 Legal Implications**

Details of all relevant implications will be included in individual reports.

#### **4.4 Public Sector Equality Duty**

Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.



**5. Relevant background/chronology of key events:**

- 5.1 At the 1 March 2016 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 5.2 In line with the Procurement Governance Arrangements that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Corporate Resources and Governance Overview & Scrutiny Committee. It also informs members of the contracts awarded under Chief Officers delegation (£164,176 and over) between the period April 2017 – June 2017.
- 5.3 This report sets out the planned procurement activity over the next few months where the contract value is between the EU threshold (£164,176) and £10m. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 5.4 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Corporate Resources and Governance Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 5.5 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 5.6 A briefing note including financial information is appended to the Private report for each item on the schedule.

**6. Evaluation of alternative option(s):**

- 6.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process. The alternative option is that individual procurements are referred to Cabinet for decision.

**7. Reasons for Decision(s):**

- 7.1 To enable Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision, otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.
- 7.2 To inform Cabinet of contract award decisions made under Chief Officers delegation during the period April 2017 – June 2017 detailed in Appendix 2.

**Signatures:****Date:**

Name of Officer: .....

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Nigel Kletz – Director of Commissioning &amp; Procurement

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Councillor Majid Mahmood, Value for Money and Efficiency

**List of Background Documents used to compile this Report:****List of Appendices accompanying this Report (if any):**

1. Appendix 1 - Planned Procurement Activity August 2017 – October 2017
2. Appendix 2 – Quarterly Award Schedule April 2017 – June 2017
3. Appendix 3 – List of awarded companies for Transport Services for Lots 1-3
4. Appendix 4 – List of awarded companies for the Recruitment and Management of Council Agency Contract
5. Appendix 5 – Third Sector Organisations

<b>Report Version</b>	1	<b>Dated</b>	12/07/2017
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**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (AUGUST 2017 – OCTOBER 2017)**

Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Planned CO Decision Date
The Supply and Distribution of Confectionery	TBC	Provision of confectionery for vending machines and counter sale in Acivico to generate income and provide snacking options for BCC staff and within serviced Cityserve Secondary Schools for sixth form and staff areas.	4 years	Acivico	Deputy Leader	Thomas Myers	Richard Tibbatts / Nikki Fox	22/09/2017
Sutton Coldfield Library – Concession Opportunity	TBC	The service will consist of the operation of a facility at Sutton Coldfield Library. The Council will sub-let 33% of the First floor at the premises and enter into a concession contract with the provider. The concession will be for a facility that is complementary to the library; e.g. a coffee shop, play/activity/learning area.	3 years plus 4 years option to extend	Place	Deputy Leader	Parmjeet Jassal	Darren Langley / Chris Jordan	22/09/2017
Provision of data to maximise Business Rate Retention and forecast business rates income	P0415	The cost is for the provision of data to enable the generation of additional business rates income, maximising income for the local authority by identifying new and altered properties onto the Valuation Office rating list.	4 years	Strategic Services	Deputy Leader	Mike O'Donnell	Lisa Haycock /Brigitte Kershaw	21/08/2017

**APPENDIX 2 – QUARTERLY AWARD SCHEDULE (APRIL 2017 – JUNE 2017)**

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Chief Officer	Actual Go Live date
Delegated Contract Award	Arboriculture Trees (Non Highway) Framework Agreement 2017 - 2022	P0252	Provision of the Arboriculture Services (Non-Highway) Framework Agreement 2017 - 2022.	5 years	Place	Clean Streets, Recycling and Environment	Paul Quinney	Andrea Webster / Simon Smith	Cabinet approved the Approval to Tender Strategy Report on 20/09/2016 and delegated the award to CO. Delegated Contract Award Report signed 13/04/2017.	iDverde Ltd / t/a Blythe Valley	Nigel Kletz / Jacqui Kennedy	17/07/2017
Strategy / Award	Installation of Dropped Kerb Crossings	TBC	The installation of dropped kerb crossings to provide access for light vehicles into properties adjacent to the highway network. A competition exercise using the Highways and Infrastructure Works Framework Agreement was undertaken.	1 year, 6 months	Economy	Transport and Roads	Simon Ansell	Mike Steele / Charlie Short / Thomas Clarkson-Williams	Presented to Cabinet for info 21/03/2017. Strategy / Award Report signed 20/04/2017.	1) J Dodds & Sons Ltd 2) R W Contractors Ltd	Nigel Kletz / Waheed Nazir	24/04/2017
Strategy / Award	Transportation and Connectivity Advisor for the Snow Hill Growth Strategy Project	P378	Provision of a Transportation and Connectivity Advisor to support the Snow Hill Growth Strategy Report following a competition exercise using the Council's West Midlands Transportation Professional Services Framework Agreement and recommendations as to the award of the contract.	2 years, 1 month	Economy	Transport and Roads	Simon Ansell	Marlene Slater / Philip Edwards / Charlie Short	Cabinet approved the Snow Hill Growth Strategy Report on 15/11/2016. Strategy / Award Report signed 20/04/2017.	Jacobs UK Ltd	Nigel Kletz / Waheed Nazir	21/04/2017
Delegated Contract Award	Transport Services Contract Extension	T23	To provide the Council's entire special needs transport for children's requirement to be taken School and Adults to be taken day centres; the framework also provides for an ad hoc corporate taxi service.	1 year, 5 months	Children, Young and Families	Children Families and Schools & Health and Social Care and	Anil Nayyar	Anne Ainsworth / Jane Piovesana	Cabinet approved Single Contractor Negotiation Report, for the Provision of Transport Services Contract Extension (T23) on 21/03/2017. Delegated Contract Award Report signed 02/05/2017. Regarding contract start date 1st April 2017 this is referring to Lot 3 and for 17th April 2017 contract start date refers to Lots 1 and 2.	Please refer to <b>Appendix 3</b> in public report.	Nigel Kletz	01/04/2017 17/04/2017
Delegated Contract Award	The Provision of Agency Workers Through The Agency Framework Agreement	P0173	Temporary agency workers are used to meet critical short term recruitment needs and to assist in difficult to recruit areas or where the skills don't exist and when sourcing the resource internally through Priority Movers has not been successful.	4 months	Strategic Services	Deputy Leader	Thomas Myers	Marie Hadley	Presented to Cabinet for info 18/04/2017. SCN signed 28/04/2017. Delegated Contract Award Report signed 28/04/2017.	Please refer to <b>Appendix 4</b> in public report.	Nigel Kletz / Angela Probert	01/05/2017

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Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Chief Officer	Actual Go Live date
Delegated Contract Award	Provision of Temporary Accommodation through Private Sector Leasing	C0135	Engagement with a number of Private Sector landlords, to make available up to 630 furnished properties, of between one and six bedrooms, for use as temporary accommodation for citizens who are homeless.	6 weeks  3 months	Place	Housing and Homes	Guy Olivant	Marie Hadley / Jim Crawshaw	Presented to Cabinet for info 21/03/2017. SCN signed 03/05/2017. Delegated Award Report signed 05/05/2017. PPAR 1 (6 weeks) was to cover the evaluation of the replacement project (P0328). PPAR 2 (3 months) was required due to re-tendering of full requirements.  Presented to Cabinet for info 18/04/2017.	1) Apex Property Services 2) Ezzi Letting Solutions Ltd 3) Global Property Management 4) Kwik Let Properties 5) Metropolitan Surveyors 6) Omega Lettings Ltd 7) PDS Property Management Ltd 8) Select Care Solutions 9) Weir Housing Ltd	Nigel Kietz / Jacqui Kennedy	06/05/2017
Delegated Contract Award	Third Sector Grant - Vulnerable Adults	TBC	Third Sector Grants provide support services to older and vulnerable Citizens, to help them achieve and/or maintain independent living. The aim of preventative services is to promote independence by reducing negative dependency and empowering citizens to do as much as they can for themselves for as long as possible. One way of doing this is to keep them active and engaged within their own communities and neighbourhoods.	1 year with option to extend for a further 6 months	Adult Social Care and Health	Health & Social Care	Shabir Ladak	Emma Fitzgibbons / Rita Adams	Presented to Cabinet for info 24/01/2017. SCN signed 26/04/2017. Delegated Contract Award Report signed 10/05/2017.	Please refer to Appendix 5	Nigel Kietz / Graeme Betts	01/04/2017
Delegated Extension Award	Printed Material for the Elections Office	F210	Printed Material for the Elections Office.	1 year, 4 days	Transformation	Deputy Leader	Thomas Myers	Yvonne Thompson / Marie Hadley	As part of the Public Cabinet Report for the Council's Print and Associated Procurement Strategy Report (Contract ref. P0358) to enter into Single Contractor Negotiations was approved on 20/09/2016. Delegated Extension Award Report signed 23/05/2017.	Facilities & Corporate Solutions Ltd (FCS) t/a FCS Laser Mail	Nigel Kietz	26/05/2017
Strategy / Award	Resources to Support ICT Transition and Contract Negotiation - Provision of a Legal Advice in relation to the Council's ICT Contract	P0387	The budget consultation includes the opportunity to negotiate reductions of approx. £10m pa in the Council's ICT spend. In addition the Council is commencing transition to a new set of arrangements over the period to April 2021 as the current contract with Service Birmingham expires.	4 years	Strategic Services	Deputy Leader	Alison Jarrett	Amanda Stevens / Charlie Short	Presented to Cabinet for info 14/02/2017. Cabinet approved the Capital and Treasury Monitoring Report Quarter 3 on 21/03/2017 - Appendix 12 - Resources to Support ICT Transition and Contract Negotiation. Strategy / Award Report signed 30/03/2017.	Gowling WLG (UK) LLP	Nigel Kietz / Angela Probert	April 2017
	Resources to Support ICT Transition and Contract Negotiation - Provision of Technical Advice in relation to the Council's ICT Contract							Andy Fullard / David Waddington	Presented to Cabinet for info 14/02/2017. Cabinet approved the Capital and Treasury Monitoring Report Quarter 3 on 21/03/2017 - Appendix 12 - Resources to Support ICT Transition and Contract Negotiation. Strategy / Award Report signed 31/05/2017.	Soclim Advisory Ltd	Nigel Kietz / Angela Probert	June 2017
Delegated Extension Award	Taxation Advisor	PQ44	To extend the contract for taxation advice.	1 year	City Finance	Deputy Leader	Thomas Myers	Richard Teague	Presented to Cabinet for info 18/11/2013. Contract Award Report signed 15/05/2014 and delegated the extension to CO. CO approved the extension on 01/02/2016. Delegated Extension Award Report signed 26/05/2017.	PricewaterhouseCoopers	Nigel Kietz / Steve Powell	09/06/2017

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Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Chief Officer	Actual Go Live date
Strategy / Award	Technical Advisor – Future Waste Strategy	P0392	For the management and disposal of waste that will take into account current and future projected technical and sustainable developments.	3 years plus 1 year option to extend	Place	Clean Streets, Recycling and Environment	Paul Quinney	Marie Hadley	Presented to Cabinet for info 21/03/2017. Strategy / Award Report signed <b>06/06/2017</b> .	Bloom Procurement Services Limited	Nigel Kletz / Jacqui Kennedy	08/06/2017
Delegated Contract Award	Provision of Therapeutic Interventions	C0257	To establish a framework of providers to deliver therapeutic interventions using DfE funding.	4 year	Children and Young People	Health and Social care	Denise Wilson	Narinder Saggu / Adam McVeighly / Mike Smith	Presented to Cabinet for info 18/10/2016. Approval to Tender Strategy Report signed <b>18/11/2016</b> and delegated the award to CO. Delegated Contract Award Report signed <b>05/06/2017</b> .	1) After Adoption, Barnardos 2) Changing Minds UK 3) Children's Therapy Solutions Ltd 4) Conatus Health Ltd 5) Core Assets Children's Services 6) Family Action, Phoenix Psychological Services 7) The Tavistock and Portman NHS Foundation Trust	Nigel Kletz / Colin Diamond	05/06/2017
Delegated Contract Award	Snow Hill Growth Strategy - Snow Hill Station Development Advisor	P387	Provision of a Snow Hill Station Development Advisor to support the new Snow Hill Growth Strategy Project.	1 year, 10 months	Economy	Transport and Roads	Simon Ansell	Marlene Slater / Philip Edwards / Charlie Short	Cabinet approved the Approval to Tender Strategy Report <b>15/11/2016</b> and approved the SCN in the Snow Hill Strategy Report and delegated the award to CO. Delegated Contract Award Report signed <b>06/06/2017</b> .	Network Rail Infrastructure Limited	Nigel Kletz / Waheed Nazir	06/06/2017
Delegated Contract Award	MOT services for Private Hire and Hackney Carriages	P0326	The contract will be for the appointment of approved garages to provide MOT services and supplementary testing of vehicles required by BCC Licensing for all Private Hire and Hackney Carriage vehicles registered in Birmingham.	4 years	Place	Sustainability	Parmjeet Jassal	Jas Claire / Darren Langley	Presented to Cabinet for info 17/05/2016. Approval to Tender Strategy Report signed <b>23/03/2017</b> and delegated the award to CO. Delegated Contract Award Report signed <b>13/06/2017</b> .	1) Autofit Centre Ltd 2) Automoto Birmingham Ltd 3) Haden Birmingham Ltd 4) Pheonix Vehicle Management Ltd t/a The Auto Workshop 5) Saki's auto centre 6) Swift Repairs Ltd	Nigel Kletz / Jacqui Kennedy	01/07/2017
Strategy & Award	Recruitment Advertising and Public Notices	P311	This contract covers recruitment advertising for employee vacancies, including teaching staff, miscellaneous advertisements such as courses.	4 years	Strategic Services	Deputy Leader	Thomas Myers	Marie Hadley	Presented to Cabinet for info 18/04/2017. Strategy / Award Report signed <b>21/06/2017</b> .	TMP Worldwide Ltd	Nigel Kletz / Angela Probert	21/06/2017
Delegated Contract Award	Repair and Maintenance of Lifts	P0280	The repair and maintenance of lifts to Council buildings (housing and non-housing properties). In order for sufficient time to carry out the procurement process and award the replacement contract to ensure that this fulfils the needs of the Council, there is a requirement to extend the current contract for a further period of 9 months.	9 months	Place / Economy	Deputy Leader / Housing and Homes	Guy Oliviant / Simon Ansell	Jas Claire	Presented to Cabinet for info 16/05/2017. SCN signed <b>20/06/2017</b> . Delegated Contract Award Report signed <b>27/06/2017</b> .	Otis Limited	Nigel Kletz / Jacqui Kennedy	01/07/2017

continued > .....

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Value for Money and Efficiency Plus	Finance Officer	Contact Name	Comments - including any request from Cabinet Members for more details	Contractor(s) Awarded to	Chief Officer	Actual Go Live date
Delegated Contract Award	Syrian Refugee – Year 2 Support Services (Pilot Projects)	TBC	To provide additional services to Syrian refugees to include: • Enhanced employment support • Continued tenancy support • Mental health awareness development • Train the Trainer ESOL provision • Female only support group	1 year	Adult Social Care and Health	Health and Social care, Children, Families and schools, Housing and Homes.	Shabir Ladak	Sarah Freeley / Robert Cummins	Presented to Cabinet for info 16/05/2017. SCN signed 12/06/2017. Delegated Contract Award Report signed 27/06/2017.	1) Amirah Foundation 2) Birmingham Ethnic Foundation Trust 3) Refugee Action	Nigel Kleitz / Graeme betts	01/07/2017

## **APPENDIX 3**

### **T0023 – TRANSPORT SERVICES**

#### **Supplier Table**

No	Supplier Name	Suppliers in each Lot		
		Lot 1	Lot 2	Lot 3
1	ATG (ACCESSIBLE TRANSPORT GROUP)		√	√
2	LAWRENCE'S GARAGE LTD	√	√	
3	SELECT PRIVATE HIRE LTD	√	√	
4	TOUCHWOOD PRIVATE HIRE LTD	√	√	
5	BEARWOOD COACHES		√	
6	ATTAIN TRAVEL LTD		√	
7	PLAZA CARS (BIRMINGHAM) LTD	√	√	
8	BEAUFORT CARS	√	√	
9	STAR CARS - COACHES LTD	√	√	
10	KINGS NORTON COACHES		√	
11	ROUNABOUT CARS B'HAM LTD	√		
12	ELITE RADIO CARS LTD	√	√	
13	A KHAN T/A CASTLE CARS	√		
14	ENDEAVOUR COACHES LTD		√	
15	NORTH BIRMINGHAM TRAVEL LTD		√	
16	ELMDON CARS (TAXIS) LTD	√	√	
17	CHASEBASE LTD T/A PARKER RADIO CARS	√		
18	MARK TAYLOR PRIVATE HIRE	√		
19	COMMUNITY TRANSPORT		√	
20	GREAT BARR CARS	√		
21	JORDANS TRAVEL		√	
22	MARWAY TRAVEL		√	
23	GALAXY CARS	√		
24	M J GROSVENOR (MOTORS) LTD	√	√	
25	TC CARS	√		
26	EURO LINERS	√	√	
27	SHEN CARE VOLUNTARY TRANSPORT		√	



## **APPENDIX 4**

### **List of awarded companies for the Recruitment and Management of the Council Agency Contract**

#### **LOT 1 – ADMIN**

Extra Personnel Limited
First Personnel Limited

<b>LOT 2i – ADULTS SOCIAL CARE - QUALIFIED</b>	<b>LOT 2ii – SOCIAL CARE – CARE WORKERS</b>
Sanctuary	Capita Resourcing Limited
Capita Resourcing Limited	Caritas
Balfor	Pertemps Network Group Limited
Medicare	SWIIS
Badenoch & Clark	
Hays	
Action First	
Barker Ross	
Entrust	
Personnel & Care Bank	
HBHC Synergy	
Servicecare	
Pertemps Network Group Limited	
Caritas	
Tempest	
Locum Placements Limited	
Pulse	
Randstad	
Danlaker	
Eden Brown	
Brook Street	
SWIIS	
HCL (Blue Group)	

#### **LOT 3 – INDUSTRIAL - First Tier**

Extra Personnel Limited
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#### **Second Tier**

The Best Connection Limited
First Personnel Limited

#### **LOT 4 – CATERING & CLEANING**

Berry Recruitment Limited
The Best Connection Limited
First Personnel Limited
Pertemps Network Group Limited

#### **LOT 5 – HOUSING MANAGEMENT**

Eden Brown Limited
Capita Resourcing Limited

#### **LOT 6i – CONSTRUCTION, PROPERTY AND ENGINEERING – URBAN DESIGN**

Rullion Engineering Limited	Randstad CPE
Hays Specialist Recruitment Limited	Pertemps Network Group Limited
Eden Brown Limited	Capita Resourcing Limited
Venn	PSR Solutions

**LOT 6iv CONSTRUCTION, PROPERTY AND ENGINEERING – HOUSING MAINTENANCE**

Capita Resourcing Limited
Hays Specialist Recruitment Limited
Pertemps Network Group Limited

**LOT 7i – PROFESSIONAL - ACCOUNTANCY**

Badenoch & Clark Limited
Michael Page

**LOT 7ii – PROFESSIONAL – PROCUREMENT**

Badenoch & Clark Limited
Venn Limited

**LOT 7iv – PROFESSIONAL – HR**

Badenoch & Clark Limited
Hays Specialist Recruitment Limited

**LOT 7v – PROFESSIONAL – LEGAL**

Badenoch & Clark Limited
Service Care Solutions Limited
Hays Specialist Recruitment Limited
Venn Limited

**LOT 8i – EDUCATION – TEACHERS**

New Directions Limited	Hays Specialist Recruitment Limited
Balfor	Celsian Education Limited
Randstad Education	ITN Mark Education
PK Education	Teacher Active
Timeplan	Connaught
Pertemps Network Group	Monarch Education Limited

**LOT 8ii – EDUCATION – TEACHING SUPPORT**

Pertemps Network Group
Early Years Ambassadors
Hays Specialist Recruitment Limited
Timeplan
Connaught
Teacher Active
PK Education
Celsian
Randstad Education
ITN Mark Education

**LOT 8iii – EDUCATION - NURSERY**

Pertemps Network Group
Early Years Ambassadors
Hays Specialist Recruitment Limited
Kidstaff
Randstad Education
Connaught
Celsian
Timeplan

**LOT 9 – LEISURE & CULTURE**

Extra Personnel Limited
Pertemps Network Group Limited

## **APPENDIX 5**

### **THIRD SECTOR GRANT EXTENSIONS**

#### **Day Opportunities**

Age Concern Birmingham (Mental Health)  
Age Concern Birmingham (OA)  
Age UK Birmingham  
Allens Cross Community Association  
Alum Rock Elders Support  
Apna Ghar  
Autism West Midlands  
Birinus  
Birmingham Multicare  
Birmingham Samaritans  
Café Oasis  
Grange Park and Digby North  
Longbridge Methodist Church  
Muath Trust  
Older People's New Opportunities Consortium  
Thrive Together Birmingham  
Ward End Asian Elders

#### **Advice Information and Support**

Cerebral Palsy Midlands  
Compass Support (formerly known as CVCRS)  
Focus Birmingham  
OSCAR Birmingham Ltd  
Action for Blind People  
Birmingham Disability Resource Centre – ILS  
Birmingham Disability Resource Centre - S&S  
Birmingham Irish Association  
Breakthrough Deaf & Hard of Hearing (DeafPlus)  
Home from Hospital - Welcome Home  
Midland Mencap  
Momentum Skills  
Small Heath Community Forum

#### **Domestic Violence**

Birmingham Rape & Sexual Violence Project  
Birmingham and Solihull Women's Aid

#### **Mental Health**

Birmingham Anxiety Support  
Birmingham Citizen Advice Bureau – MH  
Birmingham Mental Health Leisure Forum  
Birmingham Mind  
Bita Pathways  
Chinese Community Centre  
Golden Hillock Community Care Day Centre  
Huntington's Disease Association  
Kinmos Volunteer Group Ltd  
Rethink



**BIRMINGHAM CITY COUNCIL****PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>City Solicitor</b>
<b>Date of Decision:</b>	<b>25 July 2017</b>
<b>SUBJECT:</b>	<b>APPOINTMENTS TO OUTSIDE BODIES</b>
<b>Key Decision: No</b>	<b>Relevant Forward Plan Ref:</b>
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b> <input type="checkbox"/>
	<b>O&amp;S Chairman approved</b> <input type="checkbox"/>
<b>Relevant Cabinet Member(s):</b>	<b>Cllr John Clancy</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Mohammed Aikhlaq, Chairman of Corporate Resources and Governance Overview and Scrutiny Committee</b>
<b>Wards affected:</b>	<b>City Wide</b>

**1. Purpose of report:**

The report seeks the approval of the Cabinet to the appointment of representatives to serve on outside bodies detailed in the appendix to this report.

**2. Decision(s) recommended:**

That Cabinet agrees to appoint representatives to serve on the Outside Bodies detailed in the appendix to this report.

<b>Lead Contact Officer(s):</b>	Celia Janney
<b>Telephone No:</b>	Committee Services
<b>E-mail address:</b>	Tel: 0121 303 7034 e-mail: celia.janney@birmingham.gov.uk

### **3. Consultation**

#### **3.1 Internal**

Councillor John Clancy, Leader of the Council.

For appropriate items, the Secretaries to the Political Groups represented on the Council.

#### **3.2 External**

There has not been a requirement to consult with external parties in respect of matters set out in this report.

### **4. Compliance Issues:**

#### **4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?**

The appointments are consistent with the legal and constitutional requirements of the City Council.

#### **4.2 Financial Implications (Will decisions be carried out within existing finances and Resources?)**

There are no additional resource implications.

#### **4.3 Legal Implications**

As set out in paragraph 4.1 above.

#### **4.4 Public Sector Equality Duty**

The main risk of not making appointments might lead to the City Council not being represented at meetings of the bodies concerned. It is always important in making appointments to have regard to the City Council's equal opportunities policies.

**5. Relevant background/chronology of key events:**

At a meeting of all Councillors on 11 July 2017, the City Council approved changes to the Constitution that set out those appointments that are reserved to the full City Council to determine. All other appointments of Members and officers to outside bodies shall be within the remit of Cabinet to determine and the proportionality rules will not automatically apply.

**6. Evaluation of alternative option(s):**

These appointments are a matter for the Cabinet to determine, in accordance with the City Council's current Constitution.

**7. Reasons for Decision(s):**

To approve the appointment of representatives to serve on Outside Bodies.

**Signatures****Date**

Leader of the Council .....

City Solicitor .....

**List of Background Documents used to compile this Report:**

1. Report of the Council Business Management Committee to City Council on 11 July 2017 "Revised City Council Constitution"; along with relevant e-mails/ file(s)/correspondence on such appointments.

**List of Appendices accompanying this Report (if any):**

1. Appendix to Report to Cabinet 25 July 2017 – Appointments to Outside Bodies





**APPENDIX TO REPORT TO CABINET 25 July 2017**  
**APPOINTMENTS TO OUTSIDE BODIES****1. Summary of Decisions**

With reference to those bodies included in this report where the terms of office of City Council representatives expire, the Cabinet is asked to note that, where appropriate, the representatives have been contacted and in accordance with the practice agreed by Resolution No. 2769 of the former General Purposes Committee, unless indicated, are not willing to be re-appointed. Accordingly, unless indicated in this report, such representatives are not willing to be re-appointed.

**2. Banners Trust**

Three Representative Trustees in total appointed; two of whom should be Members of the Council with a special interest in education. Appointed for four years. Appointments to this body be subject to the proportionality rules. The other Representative Trustee is Cllr Gareth Moore (Con). The first of the two appointments is the re-appointment of Mr R Barley. The second appointment is to replace the late Cllr Ray Hassall.

Therefore, it is

**RECOMMENDED:-**

That Cabinet agrees to the re-appointment of Mr R Barley (Lab) as Representative Trustee, from 25 July 2017 until 24 July 2021.

That Cabinet agrees to the appointment of Cllr Chaudry Rashid (Lab) as Representative Trustee, from 25 July 2017 until 24 July 2021.

