

**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, 16 FEBRUARY 2016 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**

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

**2 APOLOGIES**

To receive any apologies.

**5 - 264**

**3 BIRMINGHAM CITY COUNCIL BUSINESS PLAN AND BUDGET 2016+**

Report of Strategic Director - Integrated Support Services & Change and Strategic Director - Finance & Legal

**265 - 272**

**4 DISPOSAL OF 150-152 GREAT CHARLES STREET, BIRMINGHAM B3 3HS**

Item Description

**273 - 386**

**5 BIRMINGHAM SKILLS INVESTMENT PLAN**

Report of Strategic Director of Economy

**387 - 470**

**6 WEST MIDLANDS INTEGRATED TRANSPORT AUTHORITY STRATEGIC TRANSPORT PLAN MOVEMENT FOR GROWTH**

Report of Strategic Director for Economy

<b><u>471 - 518</u></b>	7	<b><u>UPDATED TRANSPORTATION AND HIGHWAYS CAPITAL FUNDING STRATEGY 2015/16 TO 2020/21 PROGRAMME DEFINITION DOCUMENT</u></b>	Report of the Strategic Director for Economy
<b><u>519 - 572</u></b>	8	<b><u>GBSLEP YOUTH EMPLOYMENT INITIATIVE YOUTH PROMISE PLUS: FBC</u></b>	Report of the Chief Executive.
<b><u>573 - 590</u></b>	9	<b><u>QUARTERLY UPDATE ON ACADEMY CONVERSIONS (SEPT - DEC)</u></b>	Item Description
<b><u>591 - 650</u></b>	10	<b><u>PRIMARY AND SECONDARY SCHOOL COORDINATED SCHEME, ADMISSION ARRANGEMENTS AND ADMISSION NUMBERS – SEPTEMBER 2017/2018</u></b>	Item Description
<b><u>651 - 662</u></b>	11	<b><u>COUNCIL HOUSING RENT, SERVICE CHARGES AND OTHER CHARGES 2016/17</u></b>	Report of the Acting Strategic Director, Place
<b><u>663 - 690</u></b>	12	<b><u>BIRMINGHAM COUNCIL HOUSING INVESTMENT PROGRAMME 2016/17</u></b>	Report of the Acting Strategic Director, Place.
<b><u>691 - 698</u></b>	13	<b><u>PLANNED PROCUREMENT ACTIVITIES (APRIL 2016 – JUNE 2016) AND QUARTERLY CONTRACT AWARD SCHEDULE (OCTOBER 2015 – DECEMBER 2015) – PUBLIC</u></b>	Item Description
<b><u>699 - 704</u></b>	14	<b><u>APPOINTMENTS TO OUTSIDE BODIES</u></b>	Report of the City Solicitor.
	15	<b><u>OTHER URGENT BUSINESS</u></b>	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.
<b><u>705 - 728</u></b>	15A	<b><u>MARKETING BIRMINGHAM CONTRACT EXTENSION 2016-17</u></b>	Report of Strategic Director of Major Projects
<b><u>729 - 738</u></b>	15B	<b><u>LIVING WAGE UPDATE - PUBLIC</u></b>	Item Description

15C **FRAMEWORK AGREEMENT EXTENSION FOR HOME SUPPORT AND  
BED BASED CARE C0074**

Item Description

16 **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:-

Exempt Paragraph 3

**P R I V A T E   A G E N D A**

17 **DISPOSAL OF 150-152 GREAT CHARLES STREET, BIRMINGHAM B3  
3HS (PRIVATE)**

Item Description

18 **PLANNED PROCUREMENT ACTIVITIES (APRIL 2016 – JUNE 2016)  
AND QUARTERLY CONTRACT AWARD SCHEDULE (OCTOBER 2015 –  
DECEMBER 2015) – PRIVATE**

Item Description

19 **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.





**PUBLIC REPORT**  
(not for publication)

<b>Report to</b>	<b>Joint Report Of Strategic Director - Finance &amp; Legal And Strategic Director - Change And Support Services</b>	<i>Exempt information paragraph number – if private report:</i>
<b>Report of:</b> <b>Date of Decision:</b>	<b>16<sup>th</sup> February 2016</b>	
<b>SUBJECT:</b>	<b>LATE REPORT Birmingham City Council Business Plan And Budget 2016+</b>	
<b>Key Decision: Yes / No</b>	<b>No</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>Leader/ALL</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>ALL</b>	
<b>Wards affected:</b>	<b>ALL</b>	

<b>LATE REPORT</b>
<b>* To be completed for all late reports, ie. which cannot be despatched with the agenda papers ie. 5 clear working days notice before meeting.</b>
<p><b>Reasons for Lateness</b> Exceptionally the DCLG did not confirm with the Council its Final Government Settlement Grant funding for 16/17 until 10<sup>th</sup> February 2016.</p> <p>The draft Business Plan and Budget 2016+ is scheduled to be considered by Cabinet on 16<sup>th</sup> February 2016 so that Full Council can consider on 1<sup>st</sup> March 2016. The draft Business Plan and Budget could not be finalised until the DCLG confirmation had been provided and so the agenda papers could not be submitted 5 clear working days before the Cabinet Meeting.</p> <p>B12 Protocol Executive Reports Process in the Council's Constitution 'Supporting Documents' sets out requirements for the consideration of Late Reports. Reasons for lateness need to demonstrate "special circumstances" and the Chair of the Cabinet Meeting will decide if special circumstances for lateness do exist otherwise postpone consideration of the report at the next meeting.</p> <p><b>Reasons for Urgency</b> Full Council will be considering the draft Business Plan and Budget 2016+ on 1<sup>st</sup> March. Cabinet need to approve the draft Business Plan and Budget 2016+ prior to Full Council. The Cabinet on 16<sup>th</sup> February 2016 is the only Cabinet before Full Council, unless an emergency Cabinet is convened, giving 3 days prior notice.</p>

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**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET – LATE REPORT</b>	<i>Exempt information paragraph number – if private report:</i>
<b>Report of:</b>	<b>Joint Report Of Strategic Director - Finance &amp; Legal And Strategic Director - Change And Support Services</b>	
<b>Date of Decision:</b>	<b>16<sup>th</sup> February 2016</b>	
<b>SUBJECT:</b>	<b>Draft Birmingham City Council Business Plan And Budget 2016+</b>	
<b>Key Decision: Yes / No</b>	<b>No</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>Leader /ALL</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>ALL</b>	
<b>Wards affected:</b>	<b>ALL</b>	

<b>1. Purpose of report:</b>
To consider the draft Birmingham City Council Business Plan and Budget 2016+ for recommendation to the City Council.

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

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

<b>E-mail address:</b>	<a href="mailto:jon.warlow@birmingham.gov.uk">jon.warlow@birmingham.gov.uk</a> <a href="mailto:angela.probert@birmingham.gov.uk">angela.probert@birmingham.gov.uk</a>
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### **3. Consultation**

#### **3.1 Internal**

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

#### **3.2 External**

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

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

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

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

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

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

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

#### 4.2 Financial Implications.

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

#### 4.3 Legal Implications

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

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

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

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

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

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

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

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

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

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

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

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

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

## 7. Reasons for Decision(s):

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

### Signatures

### Date

Cabinet Member: .....

.....

Chief Officer:



12/02/16

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

Birmingham City Council Draft Business Plan and Budget 2016+

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

Report Version

Dated



## **PROTOCOL PUBLIC SECTOR EQUALITY DUTY**

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

## Equality Act 2010

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

The public sector equality duty is as follows:

1	<p>The Council must, in the exercise of its functions, have due regard to the need to:</p> <ul style="list-style-type: none"> <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) age</li> <li>(b) disability</li> <li>(c) gender reassignment</li> <li>(d) pregnancy and maternity</li> <li>(e) race</li> <li>(f) religion or belief</li> <li>(g) sex</li> <li>(h) sexual orientation</li> </ul>

# **Business Plan and Budget 2016+**



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## FOREWORD

As in previous years, this document sets out the Business Plan and the Budget for the City Council. However, we have made two important changes this time:

- It has a longer term focus, setting out a more complete medium term financial strategy that will enable us to operate sustainably long-term.
- It incorporates our developing vision for the “Future Council” and shows how we will achieve budget reductions in line with that vision.

A key part of that vision is our commitment to working in partnership with others to achieve shared aims – our role, with other civic and civil leaders, is to agree the vision for Birmingham and, with them lead the city as a joint enterprise. It is not to run the city. The council’s budget is just one part of the resources available to the city to address shared priorities. We have already started a conversation about developing that vision further in the months ahead and we want as many people as possible to engage in that process: this is your city and your City Council.

We have made our priorities very clear and these are set out again in this document. The immediate priority is to see through the inter-connected improvement agendas whilst also ensuring that the City Council has a clear approach to its future role and operating model, supported by a sound financial plan.

Arising from our longer term thinking, we are focusing on a small number of big issues for the city including the provision of decent, affordable housing, investment in our transport infrastructure and a city for young people, learning and skills. Within the Future Council programme of change our priorities will be to create a culture of openness and participation, transform the council’s use of technologies and reform the way we commission services.

We will also show leadership in creating a united Birmingham, a city that has no place for intolerance and fanatical extremism and which values both diversity and unity as strengths. We will prioritise action to strengthen community cohesion by reinforcing our commitment to reduce the economic and social disadvantage and inequalities that can add to conflict and tension.

We are proud that we have made Birmingham a Living Wage Council. In this budget we have found money to extend our commitment to decent pay to people working for social care providers with City Council contracts. There will be money to pay £7.50 per hour to these vital staff – 30p per hour more than the government’s “National Living Wage”.

We are both grateful to everyone who has taken time to contribute to our budget consultation. We have responded to concerns expressed during the consultation about local welfare funding and will be putting money into that. We will also be evaluating options for new approaches to improving safety in general around schools, including a Trust, which will maintain the level of service whilst reducing costs to the council. Councillors, schools,

parents and communities will work together to develop their active School Travel Plans, including safety measures

We are developing these plans for the future at a uniquely challenging time. We have had to identify another £90m of cuts for 2016/17 and £160m more by 2020, on top of the £560m reductions already made. This is in addition to the many pressures on our services arising from demographic change and increasing needs.

Profound change across local government is also underway. New city-regional leadership will be put in place through the West Midlands Combined Authority, with new powers devolved from central government to allow us to drive economic growth, investment and the reform of public services. The council will become more strategic and much smaller. There will be new ways of delivering local services and new ways that people can engage in their local community, such as the new local council for Sutton Coldfield.

As this plan makes clear, this is a council on a journey of change and improvement. We are responding to the challenges of corporate governance, education and children's social care, while of course, we are the first to say there is still more to be done. We are absolutely determined to deliver this improvement at a time of unprecedented budget cuts.

We are committed to providing the leadership necessary to complete this journey. With your help, we will create the modern City Council this great city deserves. By working together in partnership we know that the city of Birmingham will rise to all the challenges we face and secure a great future for all its citizens.



A handwritten signature in black ink, reading "J. M. Clancy".

**Councillor John Clancy**  
Leader of the Council



A handwritten signature in black ink, reading "Mark Rogers".

**Mark Rogers**  
Chief Executive

## **PART ONE – BIRMINGHAM PROFILE AND NATIONAL POLICY ENVIRONMENT**

### **Understanding Our Changing Population and Economy**

It is important for us to understand the city's economy and the nature of the city, its population and its economy in order that we can best respond to the city's needs. Knowledge of what drives the demand for services must be the cornerstone of our approach to planning.

This section therefore provides a picture of Birmingham – its people and economy.

#### **Key points**

Birmingham has a large population which is growing faster than the UK average. And with the rise in population and household growth, the city will need an estimated 84,000 new homes between 2011 to 2031.

Birmingham is a very young city, with nearly half the population being 30 or under, but with a growing number of very elderly residents.

Birmingham is a super diverse city, benefiting from many different nationalities, faiths, languages, ethnicities and cultures.

Birmingham is the sixth most deprived local authority in the country – Just under 40% of Birmingham's localities are in the most deprived 10% in the country.

There are above average levels of child poverty in Birmingham, compared with other local authorities. 30% of the city's children live in a deprived household.

The local economy has emerged from recession, but comparatively high levels of unemployment; worklessness and low level of skills remain a challenge.

#### **Population and Households**

Birmingham is the largest local authority in Europe, with a resident population of 1,118,285 in 2016 (Office for National Statistics (ONS) Population Projections, 2012). Between 2001 and 2011 population increased by 9.8%, and in the last five years it has grown by a further 4.2%, to 1,118,285 people today. By 2021, this is projected to stand at 1,156,846, an increase of 3.4% in the next five years. This is due to both natural population growth and the net effect of migration, including international moves. Migration projections are important inputs to the planning process, particularly for housing, employment, education, and benefits.

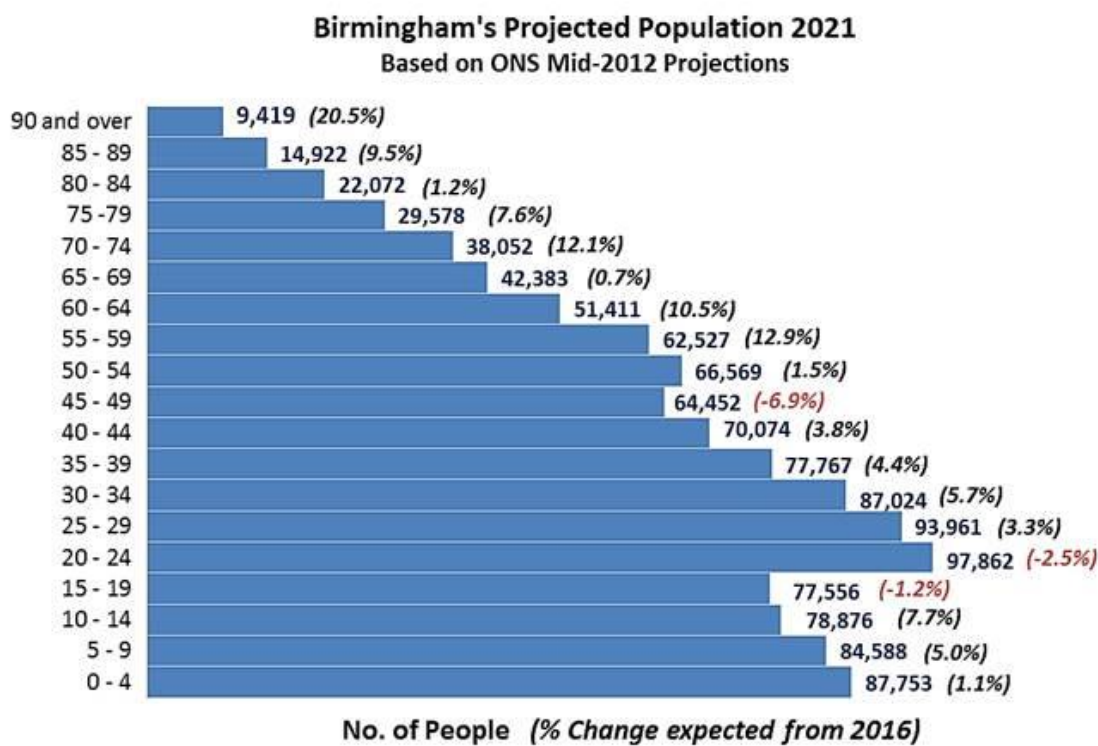
Ours is a very young city bringing demands for children's wellbeing, young people's skills and employment, but also brings vibrancy and innovation. Just under half (45.6%) of the city's population are under 30, Notable changes are:

- Between 2001 and 2011, the 0-4 year old population grew by 17% and now accounts for 7.8% of the population. This growth will slow to 1.1% between now and 2021.
- The largest growth will be the 10-14 age group – increasing by 7.7%, 5,658 more children.

Birmingham's older population, (65+ years) is lower than the UK average. This group is expected to grow by 6.6% by 2021. The rate of growth is however much higher for the more elderly groups:

- The 65-84 age group will increase by 5.4% over the next five years, to 132,084 people.
- The 85+ age group will increase by 13.5% over the next five years, to 24,341, having already grown by 12.7% during 2001-2011, and by 12.4% 2011-2016.
- The 90 and over group has the largest projected percentage increase – by 21%, or 1,602 people.

These changes and increases to the specific age groups will have implications for demand for various services, placing more pressure on early years and education, health services, social care, employment and housing for example.





## **Diversity – Ethnicity**

We are a ‘super-diverse’ city which has far-reaching policy and service implications that will need to continue to adapt to.

The Census 2011 revealed that just over two in five people (42.1%) classified themselves within an ethnic group other than white British compared to 30% in 2001, a rise of 12%<sup>1</sup>. The Pakistani ethnic group has grown faster than any other in Birmingham – by 39% between the last two censuses and is the second largest ethnic sub-group in Birmingham, behind the White British ethnic sub-group.

## **Diversity – Language**

Some 7.5% of households in Birmingham had no persons in a household with English as their main language. Two-fifths (43%) of Birmingham’s school children have a first language that is known or believed to be other than English<sup>2</sup>. This equates to 38,089 pupils, which is 1.3% more than in 2014.

This has implications for Education Services – to understand potential language and cultural barriers and ensure there is equal access to learning.

## **Households**

There has been a rise in the last five years to 431,083 households currently, and this is projected to rise by a further 5% by 2021<sup>3</sup>.

## **Housing Demand and Supply**

Birmingham requires 84,000 new homes during 2011–2031 and the city only has capacity for 51,100 – a shortfall of 39%<sup>4</sup>. To date, we have provided 5,966 net additional dwellings (minus demolished dwellings)<sup>5</sup>.

## **Homelessness<sup>6</sup>**

Demand for homeless services remains high despite improved performance and outcomes. There has been a fall in rate of homelessness from 9.8 to 7.5 per thousand; however the scale of homeless need in Birmingham remains 3 times above the national average.

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<sup>1</sup> Currently, the Census 2011 is the most recent official source of ethnicity statistics for total population.

<sup>2</sup> Schools, pupils and their characteristics, January 2015, DFE

<sup>3</sup> Source: DCLG - 2012-based household projections (linked to ONS 2012-based sub-national population projections).

<sup>4</sup> Based on the 2012 Strategic Housing Market Assessment, as used for the Birmingham Development Plan 2031 - <http://www.birmingham.gov.uk/plan2031>

<sup>5</sup> Birmingham’s Local Development Framework Authority’s Monitoring Report 2014 – 15 (indicator H1, 2011-2015 figures).

<sup>6</sup> Housing Strategy Policy & Commissioning - Birmingham Homelessness Trends 2012-2015 and Jan 2016 review.

We will seek to address the issues of housing supply and homelessness through our priority to provide more affordable new homes and support everyone in the city to secure a decent place to live.

## Deprivation

According to the 2015 Index of Multiple Deprivation (IMD) Birmingham is ranked:

- 6th most deprived local authority district in relative rankings (worsening from 8<sup>th</sup> in 2010),
- 3rd most deprived English Core City behind Manchester and Liverpool, and most deprived of West Midlands region's local authorities.
- 39.6% (253) of Birmingham's localities<sup>7</sup> are ranked in the most deprived decile (10%) in England – 450,364 people live in this decile, which is 41.2% of Birmingham's population<sup>8</sup>.

For the IDACI index (Income Deprivation Affecting Children<sup>9</sup>), Birmingham is ranked 15<sup>th</sup>, with 30.5% of our children living in a deprived household. There are above average levels of child poverty in Birmingham, compared with other local authorities. However, the proportions of children in low-income families have decreased since 2009, and the gap with other local authorities has narrowed.

## Health and Wellbeing

Obesity in school children in Reception and Year 6 is worse in Birmingham compared to the England average.<sup>10</sup>

Life expectancy is worse in Birmingham than the England average:<sup>11</sup>

- Male – 77.6 years (79.4 years England average).
- Female – 82.2 years (83.1 years England average).

Life expectancy is 7.6 years lower for men and 6.2 years lower for women, in the most deprived areas of Birmingham than in the least deprived areas.

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<sup>7</sup> These are neighbourhoods formally known as Lower-layer Super Output Areas (LSOAs) designed to be of a similar population size – an average of 1,679 residents and 643 households in Birmingham.

<sup>8</sup> Based on ONS Mid-2014 population estimates.

<sup>9</sup> The proportion of children living in income deprived households.

<sup>10</sup> The percentage of children in Reception or Year 6 who are obese, based on National Child Measurement Programme (NCMP), for all state schools during the 2014-15 school year – published November 2015.

<sup>11</sup> Public Health England Profile of Birmingham June 2015 / Birmingham Public Health Outcomes Framework Nov 2015.

## Education

Although there has been a slight decrease in achievement over time, Birmingham still has above average proportions passing their GCSEs: 53.8% in Birmingham versus 52.8% of pupils in England. Birmingham is below the national average for 16-17 year olds recorded as participating in education and training, at 86.8%<sup>12</sup>. However, the proportion in Birmingham has increased by 6.7% percentage points on June 2014 (80.1%).

## Economy<sup>13</sup>

Birmingham is a major centre for employment, with around half a million jobs located in the city. Despite this, the employment rate for its residents is low and has historically been below the national average – this manifests itself in the city having high economic inactivity and unemployment rates and higher than average levels of deprivation. The local economy has now emerged from the economic downturn, and economic output and workplace based employment have recovered to pre-recession levels. The city has also performed well recently in terms of generating employment. Resident unemployment rates which had stood at their highest level for over a decade during the recession have also recovered, and are now approaching the long run trend levels seen prior to the downturn. However, whilst the local economy has made significant progress in recent years, when we compare performance with the UK as a whole and other cities, significant challenges remain:

- For Gross Value Added (GVA) per head, Birmingham (£21,093) is well below the UK (£24,958) and has the third lowest figure amongst the core cities.
- Forecasts<sup>14</sup> show that this is expected to grow by 27% to £26,788 in 2030, lower than the 34.6% growth expected for the UK.

The city also has a low resident employment rate and high unemployment rate when compared to the UK and other cities. The employment rate in the city (61.1%) is well below the UK average (72.1%) and the second lowest amongst the English core cities. Worklessness is broader than unemployment and includes people in receipt of 'inactive' benefits, such as Incapacity Benefits<sup>15</sup>. The city rate has been falling steadily since 2011, but remains higher than the Greater Birmingham Solihull Local Enterprise Partnership (GBSLEP), the region and England rate. On the supply side, comparatively high unemployment and low employment rates in the city are linked to the skills gap that exists locally, with residents having lower skill and qualification levels than the national average.

## In-commuting

The 2011 Census travel to work data shows that 166,000 people commute into Birmingham for work, accounting for over a third (36.4%) of all employment based in the

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<sup>12</sup> National Client Caseload Information System, DFE, June 2015.

<sup>13</sup> This section is based on intelligence and reports by Economic Research and Policy Team, BCC, as at January 2015.

<sup>14</sup> This is a base forecast, based on trend growth and does not take into account local interventions e.g. planned developments etc. Source: WMCA Economic Forecasting Model Copyright @Oxford Economics, 2015-2030.

<sup>15</sup> Department for Work and Pensions (DWP) 'out of work' benefit dataset.

city. Around 100,000 Birmingham residents commute outside the city for work but Birmingham is still a net importer of 66,000 workers. Higher skilled and better paid employment tends to attract and facilitate commuting from greater distances. This coupled with other factors, like improved connectivity and the increased use of technology to enable more flexible working, means that as the occupational structure of jobs in Birmingham moves to more highly skilled employment, residents will face increased competition from in commuters.

## National Government Policy Context

In addition to demographic, social and economic changes and the financial pressures on the City Council, the policies of the national government and developments across the West Midlands will also have a profound impact on our plans for the years ahead. Some key changes that will influence the role and functions of the Future Council and our financial planning are:

- The Reform of Local Government Finance. The Government has confirmed in the Spending Review 2015 that it will phase out general grant funding to local authorities in 2020-21, but allow complete local retention of business rates. This means that councils will have to adjust to a very different financial environment and focus on measures to support economic growth to increase local income. It is also likely that there will be new responsibilities placed on councils. The details of how this system will work and how local public services will be funded will be developed during the year ahead.
- The integration of the NHS and local authority adult social care services. All areas are expected to produce a plan for this by 2017 and to implement it within three years. In addition, councils are now able to levy an additional 2% Council Tax “social care precept” from 2016/17 to provide additional extra money directly to adult social care services. There will also be an increase in the Better Care Fund by £1.5bn by 2019-20. This is money earmarked for local government to support the integration of health and social care.
- The development of Combined Authorities, Metro Mayors and devolution. It is intended that the West Midlands will shortly have a Combined Authority which will begin to bring together functions that support economic development and infrastructure investment. There will also be a process of government handing over control and funding for some centralised services to the new city region bodies and elected mayors. This has started with the recent devolution deals, including the proposed West Midlands deal which would see the Combined Authority have more control over employment and skills, transport, business support and inward investment and a locally controlled capital investment fund.
- Changes to the social security system. Changes have included a cap on overall income from benefits, reductions in housing benefit for young people and larger homes, reductions in funding for council tax benefits and new local responsibilities for discretionary payments. The major reform of the Universal Credit has also begun to be introduced in the city.

The continued drive towards independence for schools. All secondary schools will be academies by 2020 and the Government has set a target of 500 more Free Schools over that period. Schools are funded directly from central government and there will be a new funding formula for schools (which determines how much money each gets) from 2017.

- A shift from social housing to private housing. Housing association tenants will have the Right to Buy (financed by the sale of higher value council houses), and other housing policies are focused on supporting owner occupation and the building

of more private sector homes. A rent reduction is to be imposed on council homes, reducing the resources that can be used for investment.

- A reduction in the 'public estate' of land and buildings. This will include co-locating some services such as Job Centre Plus with local government services.

## PART TWO - VISION, PRIORITIES AND APPROACH

### 1. Vision 2020

This vision is based on the fundamental ideals of prosperity, fairness and democracy set out in previous years. It is also informed by city-wide local public engagement debated at Cabinet in November 2015 and Council in December 2015. It is the framework for this corporate plan and our wider partnership working.

Due to the scale of funding reductions but also the changing times in which we operate, the City Council has recognised that there is a need for change in how it works if it is to deliver this vision.

So, to address these challenges, the City Council set up the Future Council programme during 2015 to deliver an integrated and strategic approach to managing the necessary changes. This has taken on board all the recommendations of the Kerslake review of corporate governance, published in December 2014 and the ongoing advice and support from the Improvement Panel set up at the beginning of this year.



## 2. How our high-level plans fit together

The council's planning framework is set importantly in the context of the wider city leadership and governance, such as: the City Plan and Vision (in development); the Combined Authority Plan (in development) and the Strategic Economic Plan (developed by the local enterprise partnerships in conjunction with the WMCA). This framework will be the vehicle by which we implement this vision 2020 in conjunction with our partners. It is set out in the diagram below.



The above diagram shows at a glance the high level sequence to achieve this vision by setting out: the strategic outcomes and priorities in this Business Plan; how we intend to achieve this vision, including: creating the future council through the future council programme; the implementation of the improvement plans; the directorate/service plans and the performance framework through which will monitor and evaluate, (in part ten of this document).



### **3. Our six key strategic outcomes**

The vision 2020 is based around **six key outcomes** and this Council Business Plan is geared towards delivering these outcomes. They are explained in more detail below.

#### **Outcome one: A strong economy**

##### **Sub-outcomes**

- An enterprising, innovative green city delivering sustainable growth, meeting the needs of the population and strengthening Birmingham's global standing.
- A living wage that generates value locally, prosperity shared and the distinct and different strengths of our communities harnessed. Employment is the route to independence and out of poverty.
- The potential for waste to be a resource, energy use optimised and sustainable housing, skills and employment pathways supported by infrastructure and transport links.
- An integrated skills system that reduces the skills gap, supports employers to take on people furthest from the labour market and drives down unemployment.

#### **Outcome two: Safety and opportunity for all children**

##### **Sub-outcomes**

- Every child having a fantastic childhood and the best preparation for adult life. Children will benefit from an integrated early years and health service, and be well prepared to start formal education.
- Every school rated good and working together in the Birmingham Education Partnership, and with the council, parents and other partners innovating and further improving them.
- Families and children receiving targeted help as early as possible to overcome whatever issues are in their way and, if needed, with a team of great social workers and specialists to help the child and their family further.
- Special educational needs and disability services focused on enablement and personalised to each family.

### **Outcome three: A great future for young people**

#### **Sub-outcomes**

- No young person left behind, and education and employment used to address inequality and introduce fairness.
- Vocational and technical skills are as accessible and valued as academic ones.
- Young people are given the very best in careers advice and exposure to the world of work.

### **Outcome four: Thriving local communities**

#### **Sub-outcomes**

- More and more citizens accessing the life, economy and benefits of living in Birmingham, from employment to leisure and culture; where citizens have an entitlement to specified services in their communities and can enjoy a vibrant cultural offer driven by arts and culture organisations, not the City Council
- Libraries, learning centres and community hubs that provide the essential community services and one front door for City Council services, all of which are focused on learning and increasing residents' independence
- Every citizen living within a strong and cohesive community which values and supports each of its members, and is empowered to influence the services and decisions affecting their neighbourhood. Everyone feels they belong and shares the benefits of living here

### **Outcome five: A healthy, happy city**

#### **Sub-outcomes**

- Citizens having a high quality of health and same life expectancy irrespective of where they live in our city
- Every citizen accessing an affordable and decent home
- Vulnerable citizens feeling safe, living with dignity and independence and having engaged lives in their communities; citizens have access to fully integrated health and social care services that help maintain independence and provide care to those who need it
- A seamless health and social care provision so people can get the service they require or the correct information and advice in one place, with people who need services able to access the services they need irrespective of who the provider is
- Citizens having greater control and independence and making informed choices about who they want to provide the care and support they require and where they want it provided; with all citizens who have an assessed, eligible care need having access to either a direct payment or individual budget.

- Sports and physical activities that contribute to people's health and wellbeing and delivered in partnership with others, where parks and open spaces are maintained and enhanced to enable citizens to improve their health and quality of life.

## **Outcome six: A modern council**

### **Sub-outcomes**

- Citizens accessing council services through a one contact approach which aims to get it right first time. The council does what it says it will do when it says it will do it, puts people first, endeavours to achieve excellence and acts openly and honestly, and where there is accountability when things go wrong.
- A council that provides value for money and where duplication is eradicated. The City Council and the WMCA are strategic influencers, rather than always being direct providers of services.

Having approved the 2020 vision, the Leader has highlighted some priorities from within these outcomes.

### **Priorities for the city**

- **Decent homes.** We will set out bold new plans to provide more affordable new homes and support everyone in the city to secure a decent place to live. We have launched a new initiative to provide fresh thinking across the whole range of housing activity, from housing management and advice, to private rental to homelessness and the provision of new housing. This will be taken forward at city and West Midlands level, through partnerships with government, housing associations, and the private sector and community organisations.
- **A focus on investment and assets.** In the future we will need to make better use of our own assets and secure resources from local economic growth. Growth comes from investment, so we need to shift our focus towards a more innovative and enterprising use of resources, seeing the city as a set of assets, not just a collection of needs. In particular this means working with the Combined Authority and at a more local level to develop new ways to invest in people and communities across the city. This will include exploring ideas such as "Brummie Bonds" and working with the West Midlands Pension Fund (WMPF) to use its assets to support the West Midlands Strategic Economic Plan.

**A City for Young People, Learning and Skills.** We will continue to renew our focus on the "young city" and our offer to children and young people. We will start to develop a joined up approach to family support, learning, skills and employment, embedded in the community and the home. And we will begin a campaign to make Birmingham a Free School Meal city – through business sponsorship and forms of investment such as social enterprise and social impact bonds.

- **Transforming public transport and reducing congestion.** Transport is a vital part of our investment plans because it enables businesses to connect to markets and skills and people to connect to jobs. We will work with the WMCA and government on reducing congestion across the city region and the motorway

network. The long term vision for Birmingham Connected will be integrated with plans for the whole metropolitan area and, through Midlands Connect the wider Midlands region. We will put in place detailed plans and funding for the High Speed Two Growth Strategy which will regenerate areas around the new stations and connect HS2 to the whole region.

## 4. Creating the Future Council

In order to deliver our vision of the Future Council, we have developed the Future Council Programme. This will review, and redesign where necessary, all aspects of the Council including:

- How we will operate in order to deliver the vision and outcomes, including:
  - the services we will offer in the future;
  - the people, technology and information available to us;
  - and the best processes and structures to deliver these.
- The aptitudes and abilities that will be required of the staff we employ and the culture in which we work.
- How members operate in their local areas and become local leaders in their communities.
- Our approach to working with partner organisations and local communities.
- How the Council develops the right support services in order to ensure those at the front line are able to deliver services successfully.

We will be working at different and multiple levels with a range of stakeholders depending on what is needed to achieve the best results for citizens. This will include:

- **Individual:** Being citizen focused is fundamental. We will work in a different way at an individual level, promoting independence, greater control and choice, for example encouraging and promoting the use of direct payments in social care.
- **Local:** Through engagement with communities and partners, we will develop a new approach to devolution within the city, with a focus on empowering people and giving them influence over local services, not on council structures and budgets. There is the potential for a diversity of forms of governance in local areas, such as parish or neighbourhood councils.
- **City:** We will see the continuing shift towards a more streamlined, strategic City Council, including a new approach to strategic partnership working and more rapid progress towards an integrated health and social care system.
- **City region:** The establishment of the Combined Authority, a start to the implementation of the devolution deal and the launch of the joint Strategic Economic Plan across the three Local Enterprise Partnerships. We also take forward the Midlands Engine initiative, launched with government in December to focus on connectivity across the regions and inward investment. There will be further devolution deals ahead and exciting developments on public service reform arising from the devolution deal.

As set out above, we will achieve our shared objectives through partnership working. The City Council and its budget are only part of the resources we can bring to bear on tackling the problems we face as a city.

## **5. Design principles for the future organisation**

As part of the future council 2020 programme, we have established a number of design principles for the future council, namely:

- We will take a Whole Place, Whole City view - the future approach will be based on partnerships and influence.
- We will target our resources on our key priorities and results.
- We will focus on reducing or preventing future need and better ways of addressing pressures on services.
- We will promote the independence and empowerment of citizens, families and communities.
- We will operate at three levels – metropolitan, city, and local – adopting “Triple Devolution”.
- We will have a variety of delivery models for services with no presumption that the council should be the direct deliverer.
- We will have a flexible and adaptable workforce - whether directly employed or with partners – and use resources such as IT to support our vision.
- We will govern in a way that aligns with our political and organisational values.

These have been important in the shaping of the plans described in this document. And in reflecting these design principles, it means that as an organisation we may change in the ways shown below.

## The Big Shifts

- From an all-purpose council to a strategic council, working with others to deliver fewer, predominantly targeted, services.
- From a big to medium-size employer - fewer staff (and fewer councillors).
- From fixing problems later to delivering earlier targeted prevention.
- From running services to influencing service provision - from being mainly a service provider to being a gateway to services and support.
- From single tier to multi-level city government – the Triple Devolution Model.
- From just responding to demand for our services to understanding and appropriately influencing demand.
- From council-led to partnership-led.
- From mainly top down service management to more citizen-focused and responsive services.
- From small numbers of big providers to a diverse network of providers.
- From an emphasis in investment in internal capacity to investment in community capacity.
- From extensive asset ownership to using our assets to enhance others' capacity to deliver.
- From a large administrative support to a small core, sharing intelligence and supporting strategic and community leadership.
- From dedicated services to shared services – both back office and frontline – without presumption that Birmingham City Council is the direct deliverer.
- From departmentalised support services to a single support services function (which may be shared or externalised).
- From 2000 IT to 2020 IT – new, agile solutions and new providers.
- From a council where councillors are expected to play a mainly reactive role to one where they can find solutions and offer community leadership.

## **6. Planning based on managing and reducing demand**

Given the scale of the reduction in money the council has and will have to spend on services, the challenges facing the city as described in the Birmingham Context on pages 1-6 and the national policy context on pages 7-8, the council can no longer deliver services as currently or before.

To pursue the vision and to better meet the changing needs of the city, we are improving our understanding of what drives the current and future demand for services, with a view to reducing that demand and reducing spend.

For example we need to:

- Intervene earlier to prevent the need for more expensive services later.
- Address instances of service failure which generate avoidable demand for other services.
- Consider whether others are better placed than the Council to deliver more effective and/or more cost-effective services.
- Look at ways of working together, either in terms of Council departments or across a range of agencies, to improve services outcomes and reduce costs.
- Encourage self-service where this is appropriate, particularly where this enables appropriate action to be taken more promptly.
- Pass control of decision making to individual citizens, when they are better placed to make the assessment of what is needed.
- Have better information about future service demand
- Actively plan to avoid unnecessary service pressures and support people to be more independent
- Provide better access and reduce multiple contacts – getting it right first time

## **7. Thematic approach to planning and budgeting**

We structured our business planning and budgeting around six themes (to reflect the strategic approach above), and by designing new approaches we believe we can reduce cost and deliver better outcomes.

### **(i). Preventing family breakdown**

We seek to support disadvantaged families through a range of interventions so that their children can thrive. We want to target support to families so that where they are struggling we can help them to improve their parenting skills so that children are safer and can thrive. Working in this way will help reduce conflict within families and the need for children to come into care. We are developing edge of care services that will particularly help teenagers and their families. We want to work alongside these families to help them to be

as independent and resilient as possible. We recognise that there will always be some children who are unable to live within their family. For these children we want to provide high quality long-term alternative family care through, adoption, special guardianship or foster care based on each child's individual needs.

By working in this way we will deliver savings by only having those children in care who need to be, and for those children we will support them in more local, family settings. We also think we can work more efficiently and make some saving by reducing the number of agency staff and managing staff turnover better.

We are consulting on an entirely new approach to services for young children and parents. We want to create Early Years services that draw together health services, services that support parents, childcare and early education services to support the 80,000 pre-school children living in Birmingham.

## **(ii). Maximising the independence of adults**

We want Birmingham to be a city where getting older is a positive experience - a city where older people are as independent as possible, connected with their local communities, with the right support at the right time so they can stay at or close to home. So we know our current health and social care system has to change. More integrated services and support should be designed around the city's people to help Birmingham citizens and their families to be able to look after themselves - not have to rely on formal care.

There needs to be a modern health and care system where no one spends more time in hospital than necessary. This includes for example: better community support; preventing falls in the home; hospitals and social services developing better alternatives for leaving hospital; and people having easy access to these services.

The council intends to pool its money for adult social care services, along with other relevant spend and assets, with hospitals and GP surgeries. The council is funding the first year of investment needed to deliver change. The savings planned, whilst reflecting the reality of the cuts to public funding, need to continue to develop an approach which is citizen focused.

People live longer lives if they can remain independent and in their local communities. Our primary focus for younger adults will be to provide support, advice and information to those people who need services to enable them to access these services independently. Where this is not possible the City Council will endeavour to help. We will encourage and promote the use of direct payments rather than offer admittance to residential care as the first and only option. Direct payments can be used to meet needs from a range of local providers in their communities.



### **(iii). Sustainable neighbourhoods**

Creating a more sustainable environment reduces costs and is better for the health and wellbeing of residents. Changing citizen and business behaviours to reduce waste and increase recycling rates will have direct cost savings. But we must make sure our services get it right first time before we can expect citizens to change their behaviour. We must combine enforcement, education and community ownership of cleaner streets.

Our Open for Learning Strategy will remove reliance upon 'unfit for purpose' buildings so that we can focus on the service delivery, learning and skills - focusing money on service delivery not buildings. Libraries, adult education, youth services, early years and school services will be reviewed to consider alternate ways of accessing services, focused on learning and skills.

Working with other partners – housing associations, voluntary organisations and community groups will ensure that local services are properly joined up and coordinated, with a 'whole place' approach to neighbourhoods, where collaboration and shared resources deliver the best outcomes for local people.

### **(iv). Economic growth and jobs**

Economic development and support to job creation, skills training and sustainable business growth can impact greatly on the prosperity and wellbeing of the city and lead to a reduction in demand across a whole swathe of public services. This will have an even more direct impact on our income through the local retention of growing business rates. The future will be framed by collaborative working at a regional and sub-regional level.

Achieving good educational outcomes starts at an early stage and therefore we need to make our children "school ready" in the early years and at key transition points in their educational career, and "work ready" by the time they leave school.

### **(v). The changing workforce**

Our direct workforce will be smaller reflecting that outcomes and services will be delivered through new models where staff will not necessarily be directly employed by the council. The core workforce will be working more flexibly with better technology support and revised skills and capabilities to meet new needs.

### **(vi) Council-wide**

We will continue to work more efficiently, redesigning our services so that they are as lean as possible. Wherever possible we will deploy technology to ensure processes are joined up and that we 'get it right first time'. We have also identified proposals around changes to the council tax support scheme, the council tax discretionary hardship fund and the local welfare assistance provision scheme to deliver further savings.

## 8. Key Immediate organisational priorities<sup>16</sup>

In pursuing our vision for 2020 and the outcomes above the Leader has set out a number of key organisational short and medium-term priorities.

- Keeping the Children's and Education Improvement Plans on track. This remains our number one priority. We will also ensure that these plans are part of a longer term vision for these services within the overall Future Council agenda.<sup>17</sup>
- Successfully concluding the work of the Independent Improvement Panel. To achieve our vision we must restore independence and pride to our municipal governance, for example through our devolution deal. To do that, we must be free of government intervention and in charge of our own destiny.
- Creating strong strategic partnerships. There are many excellent examples of partnerships between the City Council and others that are delivering services and projects, but at a corporate level we need to do much more to put in place effective new partnership arrangements in line with the vision and strategic principles outlined above.
- Setting a realistic budget and planning framework for the next four years. This is essential to give us the security to move forward with confidence and the credibility to deliver on improvement. This Plan sets out the vision, strategic approach and financial plans that will give us this security.
- Establishing the combined authority and taking forward the devolution deal. Our partnership with neighbouring authorities and the devolution deal we signed with the Chancellor of the Exchequer in November 2015 are major steps forward for Birmingham and the West Midlands. We must continue to work closely together through the next vital stages as we establish the Combined Authority in the summer and begin to implement devolution – making sure that work leads to permanent benefits.

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<sup>16</sup> Report to Overview and Scrutiny January 19 2016

<sup>17</sup> Improving Children's Services Assurance Statement is attached as appendix 14

## **PART THREE - EQUALITY ANALYSIS SUMMARY**

### **1.1 Introduction**

Birmingham is the most youthful city in Europe with a wide range of cultural, faith and ethnic communities. Every neighbourhood in the city has seen the arrival of at least some newcomers from countries that previously were not represented in the city, and this has enriched the lives of the local people and made our neighbourhoods fascinating places to live in. Through this diversity, the city benefits from positive social cohesion which has been achieved through working with all our communities, as well as with our public and private sector partners to address inequalities. The city council and its partners can only progress community cohesion by continually reducing systemic social and economic inequalities, which is essential for economic growth. That why the Child Poverty Commission, the Housing Investment Programme, and Birmingham Youth Promise has been established, as examples of initiatives to make our city more inclusive and cohesive.

As government funding is reduced year after year it becomes more and more difficult to find savings through efficiencies or 'back office' cuts and we are now at the point where difficult decisions about 'frontline services' can no longer be avoided. In order to address these challenges, the City Council set up the Future Council programme during 2015 to deliver an integrated and strategic approach to managing the necessary changes. Given the nature of our work, and the scale of the cuts, some negative socio-economic impact is also almost inevitable.

The question for us as a City Council is how we can minimise and mitigate that impact. This means we must: (a) put more emphasis on prevention, which is cheaper than cure; (b) reframe the way we do our work so that we join things up from a customer perspective, and reduce duplication; (c) work with others who can do things more effectively and cost effectively than we can ourselves.

The City Council takes account of the potential impacts of its policies and decisions on equalities, social cohesion and social inclusion, through a risk analysis process referred to as Equality Assessment (EA). This ensures that the potential implications of such proposals on those with the 'protected characteristics' covered under the Equality Act 2010 are considered. These protected characteristics include age, disability, sex (gender reassignment), pregnancy and maternity, marriage and civil partnerships, race, religion and belief, and sexual orientation.

## 1.2 Equality Act (2010)

The Equality Act (2010) requires relevant public bodies, when exercising their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and any other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and people who do not share it
- Foster good relations between people who share a protected characteristic and people who do not share it

These are commonly known as the three aims of the Public Sector Equality Duty (PSED) imposed by the Act. The council must consciously consider these aims as part of the budget decision making process.

The PSED does not prevent the council from making difficult financial decisions. It does, however, require all decisions to be made in a fair, transparent and accountable way, with full consideration of the needs of different individuals and communities and the potential impact on groups defined by reference to 'protected characteristics'. To the extent that any disproportionate impact on such groups which results from particular proposals cannot be avoided by mitigating actions, these proposals cannot proceed without amendment unless the council decides that their aims are sufficiently important to justify the disproportionate impact, and that such aims cannot reasonably be achieved by means which are less damaging in their impact.

Similarly, to the extent that particular proposals are otherwise likely to interfere with the pursuit of equality and/or good relations between persons of different groups defined by reference to relevant characteristics, considerations will have to be given to whether these outcomes are justified by the aims pursued. The analysis which is required in order that these decisions can be made is found in the council's Equality Assessment documentation.

'Having due regard' involves (amongst other things) considering the need to remove or minimise disadvantages between those who share a particular characteristic and those who do not. It requires us to take steps to meet the needs of people from groups defined by reference to protected characteristics, where they are different to those from different groups. We need to encourage those in groups defined by reference to protected characteristics that are under-represented in public life to increase their rates of participation. The PSED also requires the council to tackle prejudice and promote understanding between and across all our communities. The council must consider the equality implications of proposals when making decisions, whilst also having regard to any countervailing factors, which it is reasonable to consider in the relevant circumstances.

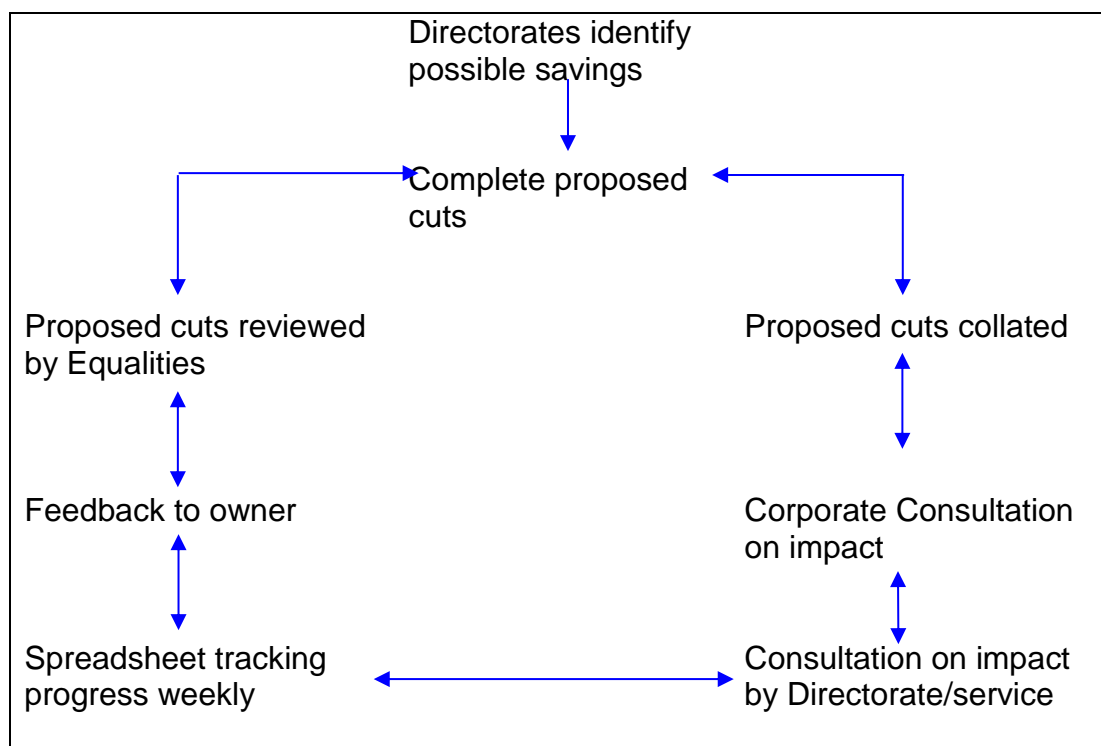
These factors may include, for example, budgetary pressures, economic and practical factors.

### 1.3 The council's approach to the proposed allocation of savings

In recent years, the council has had to make significant budgetary cuts and this remains an ongoing requirement. Over the last four years our plans, priorities and budget proposals have been the subject of equality analysis and consultation. The council's formal budget consultation document, alongside a series of factsheets contained information on the proposed allocation of savings and individual proposals for 2016/17.

### 1.4 The council's equality analysis methodology

This methodology supports the council's in its approach to the individual proposed cuts, and the extent to which each one has gone through the approved two stage Equality Assessment process in terms of maintaining quality, consistency and ensuring that due consideration has been given to meet our legal responsibilities. From an Equalities point of view, the sequence is as follows:



The City Council's tool for ensuring fairness in decision making – the Equality Analysis Toolkit – has been used during this savings round.

### **1.4.1 The equality assessment process (Equality Framework for the Business Plan)**

This section aims to provide an overview of what our analysis is currently telling us and to highlight emerging themes that may have a wider impact on groups defined by reference to protected characteristics. It also considers how we can use this data to inform the council's further work to promote fairness and reduce socio-economic inequalities.

Initial equality assessment screenings have been carried out, where appropriate, on 2016+ Budget proposals. These have helped the council to identify emerging impacts and have led to more detailed assessments where initial screenings have indicated potential disparate impacts on groups defined by reference to protected characteristics, or other equality concerns. The initial EA screenings look at how individual proposals might relate to one another and consider how a series of proposed changes to services could impact cumulatively on particular groups of people.

EAs are living documents that change and are updated as the equality implications of a decision and any alternative options or proposals are considered. EAs have therefore been developed alongside the budget proposals. They have been drafted by senior management in the appropriate service area of the council with support from the council's specialist equality advisors.

The quality assurance process has provided a central overview of all proposals and their potential impacts upon groups. EAs will continue to be reviewed as we consult with staff, service users and others on our detailed proposals. The feedback received through consultation will be incorporated into the documents, in particular, the assessment of potential impacts, to guide detailed decision making.

### **1.4.2 Consultation Framework for the Business Plan**

Whilst the Council regularly monitors the social impact of the cuts and social cohesion, an essential part of the council's EA process is the public consultation on the Business Plan and Budget. The corporate public consultation on the 2016+ budget proposals began on 9 December 2015 and closed on 8 January 2016. There are three types of consultation which the council undertakes as part of the planning process.

**Corporate Consultation** - The corporate consultation gives all local residents and staff the chance to have their say on the council's overall budget proposals. The results of this consultation inform the council's executive before finalising the council's business plan and budget at full council in March.

**Directorate/Service-led** - Directorate/Service-led consultations take place with service users who may be affected by any specific proposals and service changes. These are subject to a separate Cabinet decision following this consultation. These will inform separate policy decisions, subsequent to the setting of the 2016+ council budget.

Consultation with Trades Unions and Employees - The collective consultation is formal consultation and negotiation with the employees and trades unions about possible job losses and the proposed changes to terms and conditions of employment. This consultation starts at the same time as the corporate budget consultation and continues for at least 45 days or longer if necessary to ensure that it is meaningful.

## **1.5 Conclusion**

The council recognises it is essential that it undertakes an appropriate, comprehensive approach to the equality analysis and assessment of its proposed future developments to its policy and related spending plans.

This section has provided a description of the Council's rigorous equalities process undertaken in line with the Equality Act 2010 and together with the initial equality assessments below provides an overview of the main equality considerations arising from the Council Business Plan and Budget 2016+.

Detailed equalities assessment work continues to be undertaken by each Directorate and is part of an ongoing process. These assessments are available to Members through the Equalities Risk Analysis toolkit. In completing this work the council will also work with its partners to further explore the equality implications of the Council's proposals, and the mechanisms for monitoring the equalities impacts of expenditure decisions.

The consultation and equalities assessment work to date has identified a range of mitigations that the council could put in place in order to progress the proposed cuts on which it is consulting. These are detailed below. However it is not possible at this stage to fully assess the impact on those with protected characteristics and further assessment will be carried out as part of the full impact assessments, where required.

With the approach taken by the council to consultation and equalities assessments, described above, and the mitigations and budget changes made and incorporated into this budget and detailed in appendix one, following such consultation and equality assessment, it is considered that the Council Budget set out in this report is reasonable and appropriate.

While the ongoing consultative and equalities work still underway may necessitate some subsequent changes to the resource allocations within this Budget, in the context of the overall scale and shape of the corporate Budget as a whole, any such changes may reasonably be expected to be of a magnitude which could and would be addressed within the framework of this Council Budget.

## **PART FOUR - FEEDBACK FROM CONSULTATION**

### **The Process**

Birmingham City Council's Budget Consultation 2016+ ran from 9<sup>th</sup> December 2015 to 8<sup>th</sup> January 2016, based upon a 'Council Business Plan and Budget 2016+: Consultation' booklet and detailed fact sheets for each of the 96 savings proposals. The proposals in this year's consultation document were organised under the following six themes:

- Preventing family breakdown.
- Maximising the independence of adults.
- Sustainable neighbourhoods.
- Economic growth and jobs.
- The changing workforce.
- Council-wide.<sup>18</sup>

The consultation involved:

- Three public meetings led by the Council's Leader and Cabinet.
- An online 'Be Heard' survey.
- Submissions via emails, letters and social media.
- A Disability Budget Forum.
- A consultation meeting aimed at the business community.
- Four focus groups, two online and two face to face, with participants recruited from Birmingham's People's Panel.
- Two webcast question and answer sessions, each lasting two hours, with the Cabinet.
- Three smaller meetings have been held with young people on their vision for the city and the broad 'Future Council' approach; and
- Ideas for saving money or raising revenue with additional comments on the Budget 2016+ dialogue and ideas section of the council's website.

The budget consultation built on previous engagement including 11 district community workshops held in every Birmingham District (two in one District because of numbers wanting to attend) in November 2015 and on several 'Big Conversation' events with council employees.

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<sup>18</sup> These themes are explained in more detail in part x



The corporate budget consultation asked for views on all of the proposed budget savings to services. The detail of the individual proposals and service changes are consulted on where appropriate with service users and employees and are subject to a separate cabinet decision following on from consultation.

Through the corporate consultation, we asked members of the public for their views on the following:

- The vision for the city.
- The role of the council and its partners in delivering the vision.
- Devolution.
- The level of council tax next year.
- Their views on the savings proposals.

## **Responses**

Set out below is a summary of the feedback under these headings. The detailed report on the findings from the consultation can be found on [www.birmingham.gov.uk/budgetviews](http://www.birmingham.gov.uk/budgetviews)

### **Vision**

There was general support for the council's vision. Themes which people identified included:

- Pride in the city.
- Integrated green transport.
- A good place to grow old.
- Improved health and wellbeing.
- Social and affordable housing.

### **Council Role and Devolution**

- High level of agreement through the survey that the council should provide strong but accountable leadership at city-wide and local level.
- The council has an essential role in monitoring contracts and safeguarding.
- Expectation that others – residents, organisations, businesses - will all need to play a bigger role in delivering the vision.
- Agreement that there should be more local control over spending and budgeting – local people having a say on local issues and services.
- A keenness to collaborate and work in partnership.

## Council Tax

- Close to two thirds of all respondents to the online questionnaire agreed with the proposed 2% increase in Council Tax, more than twice the numbers that were opposed.
- The same number agreed with the proposed 2% increase in relation to the social care precept, more than twice the proportion that was opposed.
- A few suggestions were made that a referendum be called for a higher Council Tax rise.

## Themes – Summary of Responses

- Preventing family breakdown – whilst supporting the preventative approach, the message was the “devil would be in the detail”.
- Maximising the independence of adults – there was support for promoting the independence of adults, but fears were expressed that this might sometimes be a cover for cutting budgets for care packages. Some people may not be able to live independently and their needs must be catered for. There was concern expressed at the proposed closure of day care centres and any cut backs in public health.
- Sustainable neighbourhoods – issues were raised around building houses on green spaces and parks; school crossing patrols; and community libraries. Developing a modern, integrated, accessible and green transport system for the city was generally supported as was reconfiguring waste collection services. Public discussion about the vision in the district workshops and through the People’s Panel wanted the council to strengthen its enforcement role.
- Economic growth and jobs – there was concern about further cuts to arts and cultural organisations; a great deal of interest in how the WMCA would work. Improving the transport network emerged as a theme. And proposals that involve raising income from the Council’s assets or charging more for business services were strongly supported.
- The changing workforce – this theme received by far the biggest response to the consultation from council employees. There was strong opposition to the proposed changes in terms and conditions of Council staff, but support for increased numbers of trainees and other improved workplace efficiencies.
- Council-wide – most proposals under this theme had a relatively small number of responses. However, a parallel council consultation on the proposal to end the £2.9m Local Welfare Assistance Provision had a much bigger response, disagreeing with this proposal. Through this specific consultation came a request for at the very least a delay in the cessation of the scheme, so that the partially mitigating collaborative arrangements could be given a chance to work.

In summary, the corporate consultation did not give rise to any big campaigns over a single issue or proposal. The Council has however responded to concerns raised through the consultation on the following:

- **The proposed withdrawal of local welfare assistance provision.** We will continue to fund the local welfare assistance provision for 2016/17 at the current level of demand. We will then will seek alternative sources of funding for future years to supplement the additional funding which we now proposes to provide from 2017/18 onwards.
- **The proposed changes to school crossing patrols.** We will be evaluating options for new approaches to improving safety in general around schools, including setting up a Trust, which will maintain the level of service whilst reducing costs to the council.

We have also noted the wealth of concern expressed by council employees under the theme of the changing workforce and will continue to work with trades unions and employees on the future package of employee proposals.

## **PART FIVE - FINANCIAL PLAN**

### **Chapter 1: Budget Summary**

#### **Background**

- 1.1 The City Council's Financial Plan continues to be set in the context of reducing resources available to fund the provision of services and investment in its assets. This is largely as a result of the continuing cutbacks in grant funding as part of the Government's policy of reducing public expenditure in order to address the deficit in the public finances.
- 1.2 Birmingham is more dependent on Government grants than many local authorities, both because of the higher level of need requiring it to fund a higher level of expenditure on services (as assessed under the Government's previous Formula Grant regime) and also because its relatively low tax base constrains its ability to raise funds locally through Council Tax. This has meant, until now, that the City Council has experienced disproportionate cuts in its revenue resources. To try to address this, Birmingham has been lobbying the Government over the last two years for a fairer grant settlement for Birmingham. Subsequently the Government has adopted a fairer funding methodology for the allocation of grant reductions from 2016/17 onwards. This has led to considerably lower cuts for Birmingham in future years than would have otherwise been the case, but has not addressed the unfairness of cuts that Birmingham received in 2014/15 and 2015/16.

#### **Revenue**

- 1.3 The Council has further developed its medium- and long-term financial planning approach and this Business Plan contains a 2016/17 Budget, an Indicative 2017/18 Budget (as agreed with the DCLG as part of the Council's Improvement Plan), financial forecasts for 2018/20 and a 10 year Long-Term Financial Plan and Efficiency Statement. These show balanced financial plans throughout this period, although the extent of savings delivery risk is clearly recognised, as are the potential impacts of pressures and grants and other changes, such as business rates localisation. The reserves strategy provides a level of potential mitigation against those.
- 1.4 Excluding those grants which are ringfenced to be spent on specific services and projects, the City Council will be subject to a cash reduction in corporate grant funding of £59.7m (13.4%) in 2016/17. After taking account of income from the local share of business rates and from Council Tax, total corporate funding will reduce by £46.5m (5.1%) in comparison with 2015/16 on a like for like basis (£39.7m in cash terms).
- 1.5 At the same time, there is the need to increase funding for some services by £23.7m. This includes providing further resources for child protection services (an extra £4.7m) and continuing to invest in adult social care (£10.5m), both to meet the

costs of the increasing number of older people requiring care and also to address the extra costs within the care sector arising from the implementation of the Living Wage.

- 1.6 In addition to this, inflationary costs are estimated to be £17.4m, a net movement in corporate reserves of £17.8m offset by a reduction in corporately managed budgets of £10.3m.
- 1.7 Therefore, it will be necessary for further savings of £88.2m to be made in order to balance the revenue budget in 2016/17
- 1.8 After taking account of medium term resource forecasts and additional future pressures, further savings of £163.0m are planned. This will enable the Council to set out balanced financial plans for the years to 2019/20, including an indicative budget for 2017/18.
- 1.9 It is expected that total savings of £815m will have been made over the 9 year period from 2011/12 – 2019/20.

### **Council Tax**

- 1.10 In order to maintain an appropriate level of income from Council Taxpayers, and to mitigate the need to make savings as much as possible, a base Council Tax increase of 1.99% is proposed for 2016/17. In recognition of the particular pressures on adult social care the Government, as announced in the Spending Review 2015, is enabling local authorities responsible for adult social care to raise up to an additional 2% of council tax income to recognise the particular pressures on adult social care. The Council, like many, if not most, social care authorities considers that the best way of addressing the cost pressures on these services is to use this ability to generate specific additional resources. Taken together this would take the amount for a Band D property to £1,204.65 for City Council services, an increase of £46.22 per year, or 89p per week.

### **Housing Revenue Account (HRA)**

- 1.11 Proposals have been developed for a budget in 2016/17, with a rent decrease of 1% in line with the new national rent policy.
- 1.12 In addition to revenue expenditure on day-to-day repairs and maintenance, the Council will be investing in a Council Housing capital programme of £347m over the three years 2016/17 – 2018/19, including £166m investment in new homes and regeneration.

## Capital

- 1.13 Capital investment is also constrained by reductions in Government grant funding. However, some grants continue to be made available, particularly those earmarked for specific projects/programmes. Taken together with a prudent level of new borrowing, a capital programme of £966m is proposed from 2016/17 onwards.
- 1.14 After taking account of the on-going annual provision for debt repayment, total outstanding debt is forecast to fall slightly over the next 3 year period. Of the projected gross loan debt (including Private Finance Initiative (PFI)) of £3.9bn at the end of this period, £1.1bn will relate to the HRA and £2.8bn to the General Fund.

## Chapter 2: Revenue Resources

### 1. Financial Challenge

- 1.1 This chapter details the General Fund revenue resources expected for the period 2016/17 to 2019/20.
- 1.2 The City Council continues to face a significant challenge over the coming years. In the nine years, from 2011/12 to 2019/20, it is forecast that total corporate funding will have reduced by £366m per annum.
- 1.3 The City Council expects to receive total General Fund grant and external income resources of £2,763.7m in 2016/17. The resources can be analysed into the categories shown in Table 5.2.1.

<b>Table 5.2.1 General Fund Grant &amp; External Income Resources</b>					
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Core Grants (RSG) <sup>1</sup>	286.898	226.587	177.753	143.992	109.743
Core Grants (Top Up )	126.015	127.067	129.566	133.388	137.652
Corporate Grants	31.986	31.575	38.420	54.808	75.371
<b>Sub Total Corporate Grant Funding</b>	<b>444.899</b>	<b>385.229</b>	<b>345.739</b>	<b>332.188</b>	<b>322.766</b>
Business Rates*	196.305	187.884	206.516	218.448	226.525
Council Tax*	272.137	293.743	300.052	312.647	325.772
<b>Sub Total Corporate Funding</b>	<b>913.341</b>	<b>866.856</b>	<b>852.307</b>	<b>863.283</b>	<b>875.063</b>
Directorate Grants <sup>2</sup>	252.903	275.621	296.255	296.255	296.255
Schools Funding <sup>3</sup>	796.585	781.610	781.610	781.610	781.610
Grants to reimburse expenditure (esp.Benefits) <sup>4</sup>	551.025	550.537	550.537	550.537	550.537
External Income <sup>5</sup>	275.373	289.059	298.437	306.457	312.774
<b>Total General Fund Grant &amp; External Income</b>	<b>2,789.227</b>	<b>2,763.683</b>	<b>2,779.146</b>	<b>2,798.142</b>	<b>2,816.239</b>
<b>Annual % Change in Corporative Funding</b>		<b>-5.1%</b>	<b>-1.7%</b>	<b>1.3%</b>	<b>1.4%</b>
<b>Annual % Change Corporate Spending Power</b>		<b>-4.7%</b>	<b>-2.5%</b>	<b>0.9%</b>	<b>1.6%</b>

Table above excludes Use of Reserves which are discussed in Chapter 3

1. This is the adjusted 2015/16 RSG figure for specific grants rolled into RSG from 2016/17 so that a like for like comparison can be made.
2. 2015/16 is an adjusted directorate grant figure for those grants rolled into RSG from 2016/17 onwards. For future years directorate grants are based on information available at the time.
3. Schools funding has been assumed to remain unchanged in future years. No adjustments for schools transferring to academies or changes in funding formula have been made as there is too much uncertainty at present. However, schools will be required to contain spend within the resources available.
4. Grants to reimburse expenditure particularly Benefits - we have not sought to forecast future demand in this area.
5. External Income has been forecast based on information in the Savings Programme and the OBR 's (November 2015) CPI forecast for future years.

\* Business Rates and Council Tax figures are shown net of deficit/surplus.

- 1.4 The Government's definition of Core Spending Power (CSP) is similar to Corporate Funding (albeit with slight differences). The annual change in these statistics are shown in Table 5.2.1 above.

## 2. Core Government Grant Funding

- 2.1 Core Grants are made up of Top Up Grant and Revenue Support Grant.
- 2.2 The level of future forecast income from 2016/17 onwards of Core Grant funding has improved since the LTFP was agreed in March 2015.

Table 5.2.2 below shows the movement in Core Grant funding since the budget was set last year.

<b>Table 5.2.2 Core Government Grant Funding Forecast Changes</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Core Grant Business Plan 2015+ (Mar15) (includes RSG and Top Up Grant)	323.0	265.9	230.9	202.4
<b>Government Updates:</b>				
Spending Review (Nov 15)	29.1	25.0	25.4	36.9
Local Government Finance Settlement inc adoption of Fairer Funding	1.6	16.5	21.1	8.0
<b>Core Grants 2016+</b>	<b>353.7</b>	<b>307.3</b>	<b>277.4</b>	<b>247.4</b>
Cumulative change from Adjusted 2015/16 (£m)	(59.3)	(105.6)	(135.5)	(165.5)
Cumulative % Change from 2015/16	-14.4%	-25.6%	-32.8%	-40.1%
Annual % Change	-14.4%	-13.1%	-9.7%	-10.8%
<b>Memorandum</b>				
Estimated improvement in resources from introduction of fairer funding methodology	18.8	33.4	40.7	47.4

- 2.3 The improvement in the forecast position has occurred for two reasons:

- More information has been published to allow us to revise our forecasts during the year. The Government's Spending Review in November 2015 announced the profile of local government spending over the next five years, and four year figures were published at the time of the Local Government Finance Settlement. This has given us more accurate information to base our forecasts on. This has resulted in an overall improvement in core grant funding by 2019/20 compared with our previous projections.
- The second reason for the improved funding position is the Government's adoption of a fairer funding approach to its methodology for allocating grant reductions. This is following Birmingham lobbying the Government over the last two years for a fairer grant settlement. This methodology provides a fairer basis than previously for the allocation of central funding as it takes into account the amount of income authorities currently receive from council tax as well as the



settlement funding assessment. This means that reductions in funding have less disproportionate impact on those authorities that are heavily reliant on government funding. However, we continue to make representations to further improve the equity of the situation.

- 2.4 This has gone some way to correct the disparity in the allocation of grant reductions and recognise local authorities differing levels of council tax resilience from 2016/17 onwards. However, if the revised allocation methodology had been adopted from 2014/15, BCC estimates that we would have received additional funding of around £89m in 2016/17.

### **Revenue Support Grant**

- 2.5 The Government has calculated that the City Council will receive £226.6m Revenue Support Grant (RSG) in 2016/17. This compares with £286.9m received in 2015/16, a reduction of £60.3m. The 2015/16 figure has been adjusted for the rolling in of the Care Act, Local Lead Flood Authority and Sustainable Drainage grants into the Settlement Funding Assessment (SFA), so that comparisons can be made on a like for like basis.
- 2.6 The City Council has based its forecast resource levels until 2019/20 on the announcement made in the Local Government Finance Settlement, as part of the four-year figures that have been made available to authorities. This offer has been made on the condition of a submission of an efficiency plan. Further clarity is awaited, however, on what this will entail.
- 2.7 Beyond 2019/20, in line with the Government's policy that a surplus national budget will be achieved by this point, a "steady state" of funding has been assumed. The forecast levels of RSG for 2016/17 to 2025/26 can be seen in the Long-Term Financial Plan and Efficiency Statement (Appendix 3).

### **Top Up Grant**

- 2.8 As part of the Business Rates Retention Scheme (BRRS) the Government pays the City Council a Top Up Grant. This is to compensate for the fact that the 49% of business rates that the Government estimates the City Council will retain is less than the baseline level of funding that Government has estimated the City Council requires from the Business Rates Retention Scheme.
- 2.9 The City Council will receive £127.1m Top Up Grant in 2016/17. This is an increase of 0.8% on the 2015/16 allocation. The Top Up Grant increases annually in line with the business rates multiplier. This is based on Retail Price Index (RPI) as at September of the previous financial year. In previous years, where the multiplier has been capped at a 2% increase but the level of RPI has exceeded this, the Government have provided a compensating grant for the lost income. This grant relating to previous years will continue (see paragraph 3.9).

- 2.10 In future years, the City Council assumes, based on information provided by the Office for Budget Responsibility (OBR), that the increase that will be applied to the Top Up grant will be 2% in 2017/18, 2.9% in 2018/19 and 3.2% in 2019/20. The forecast levels of Top Up Grant can be seen in the LTFP and Efficiency Statement for 2016/17 to 2025/26 (Appendix 3).

### **3. Corporate Grants**

- 3.1 In addition to core funding, the City Council also receives a number of unringfenced grants that are not allocated for specific purposes and are used to support the overall budget. These grants are:

- New Homes Bonus
- Small Business Rates Relief grant
- Other Business Rates related grants

#### **New Homes Bonus (General)**

- 3.2 New Homes Bonus (NHB) is a general grant awarded by the Government for new houses built in Birmingham, or empty properties brought back into use. The grant is provided to help fund the additional services required for the new properties and families living within them. The grant is provided in two parts:

- General
- Affordable Homes Element

- 3.3 The City Council chooses to apply this grant in two ways. The general grant is used to support the overall budget, and the affordable homes element is treated as a Directorate grant, including use to reinvest in building additional affordable housing in Birmingham.

- 3.4 In 2016/17 the City Council will receive £19.8m of general NHB. This is an increase of £3.0m over 2015/16. The Government is currently out to consultation on the NHB with the proposal to reduce the length of grant payments from six to four years or possibly even less. However, the Government have supplied indicative figures for 2017/18 at a similar level to that of 2016/17, but with the grant reducing considerably to £13.8m in 2018/19 and £13.2m in 2019/20. The City Council's forecast of general NHB can be seen in Appendix 2.

- 3.5 In order to fund the NHB, the Government topslices funding from the national allocation of RSG. If this topslice exceeds the national amount of NHB distributed, the Government reallocates the remaining funding. In 2016/17, the City Council will receive a further £0.8m of returned NHB funding. This has been treated as a one-off resource as it is assumed that the Government topslice will be accurate in future years.

### **Small Business Rates Relief Grant (SBRR)**

- 3.6 In his Spending Review/Autumn Statement 2015, the Chancellor announced that he has again extended SBRR relief for a further year. This reduces the level of business rates income retained by the City Council and the Government provides grant funding to compensate for this.
- 3.7 The City Council will use this grant of £6.2m in 2016/17 as a corporate resource in the same way that it would have, had the income continued to be received via business rates. As the relief has been granted for four consecutive years, the City Council is now assuming that this will be a permanent reduction in business rates and hence a permanent grant stream. However, should this not be the case then it is assumed that the loss of SBRR grant would be offset by an increase in business rates income of an equal amount, leaving the overall resource position unaltered. The City Council's forecast of SBRR grant can be seen in Appendix 2.
- 3.8 These numbers exclude small business rates relief grant received in relation to the Enterprise Zone as this funding is passed directly to the Enterprise Zone.

### **Other Business Rates Related Grants**

- 3.9 Other Government policies that impact on the amount of business rates income that the City Council will receive are compensated for by a separate government grant. The remaining grant of £4.8m in 2016/17 (other than that relating to Small Business Rates Relief described above) is to compensate for the Government capping the increase in the small business rates multiplier at 2% in previous years. This will not apply to this year's increase in multiplier, as RPI was at 0.8% in September 2015, but it will still be received in relation to the capping of the multiplier in previous years.
- 3.10 These grants have reduced from 2015/16 as the relief on retail properties has now ceased and therefore so has the Government grant, but there will be a corresponding increase in business rates income.
- 3.11 As grants will be paid to compensate the City Council for the loss of business rates income, they are used to support core activities. The City Council's estimate of other business rates related grants can be seen in Appendix 2.
- 3.12 These numbers exclude other business rates related grant received in relation to the Enterprise Zone as this funding is passed directly to the Enterprise Zone.

### **Improved Better Care Fund**

- 3.13 The Government is providing £1.5bn nationally to local authorities to spend on adult social care by 2019/20. This funding is to be allocated as a separate grant to local government, benefitting those authorities who will generate less income through the Social Care Precept, such as Birmingham. However, this funding is not available

until 2017/18, with a future consultation to be published in due course on the proposed distribution methodology. The proposed allocation for Birmingham in 2017/18 is £6.7m rising to £52.4m by 2019/20.

- 3.14 It will be noted that the Council's financial plans include a further significant level of savings to be achieved from 2017/18 onwards through the re-design and integration of services across the health and social care economy. Therefore, whilst this additional BCF resource is being treated as a corporate resource, it is expected that it will be made available to fund additional care services, to facilitate investment in order to deliver the savings in the plan or to mitigate budgetary pressures should there be any under-achievement of the required level of savings.

#### 4. Business Rates Income

- 4.1 The City Council is able to retain 49% of all business rates generated locally excluding growth within the Enterprise Zone. A further 50% is paid directly to the Government and the final 1% is paid to the West Midlands Fire and Rescue Authority.
- 4.2 However, the City Council does not have any control over the business rates multiplier that will be used to calculate individual business rates bills. The Government continues to be responsible for setting the rate and national policies on discounts. Government announcements regarding business rates that will impact on the level of resources received by the City Council are compensated for through additional Government grants allocated to the authority (see paragraphs 3.6 – 3.12).
- 4.3 The City Council estimates that total income received from business rates, excluding growth within the Enterprise Zone, will be £419.7m in 2016/17 (see Table 5.2.4). This is an increase of 3.8% on that budgeted for in 2015/16. The business rates income to be used for setting the 2016/17 budget was agreed by the Cabinet at its meeting on the 26<sup>th</sup> January 2016. This income is now fixed for the purposes of 2016/17 budget setting. The forecast levels of Business Rate income for 2016/17 to 2025/26 can be seen in the LTFP and Efficiency Statement in Appendix 3.
- 4.4 In future years, the City Council has assumed that business rates income will have an underlying increase of:

<b>Table 5.2.3</b>								
<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>	<b>21/22</b>	<b>22/23</b>	<b>23/24</b>	<b>24/25</b>	<b>25/26</b>
2.5%	3.4%	3.7%	3.7%	3.7%	3.0%	3.0%	3.0%	3.0%

- 4.5 This reflects an assumed increase of 0.5% real terms growth and an increase in the business rates multiplier, in line with the RPI forecast from the OBR for the previous financial year. It should be noted that the Government has taken into account an anticipated level of growth in Business Rates when determining RSG allocations. The LTFP and Efficiency Statement (Appendix 3) shows the future change in assumptions of the City Council's share of the business rates income within the city.

### **Enterprise Zone**

- 4.6 In 2016/17, it is anticipated that the Enterprise Zone will retain £5.9m of business rates income and £0.4m for reliefs awarded. The overall deficit carried forward from 2015/16 is £1.5m. In addition, the Enterprise Zone will receive £0.3m of Section 31 grants. This overall resource of £5.1m will be used in accordance with the Enterprise Zone Investment Plan.
- 4.7 Business rates income above the previously determined baseline within the Enterprise Zone is 100% retained by the City Council to pass to GBSLEP. These business rates are not available to support the City Council's budget, but are used to support redevelopment within the Enterprise Zone.
- 4.8 Growth in business rates income within the Enterprise Zone will be fully retained for the period up to 2046. The intention is to provide a higher degree of certainty around future levels of income available towards investment and regeneration in this zone.

### **Business Rates Collection Fund**

- 4.9 It is estimated that the City Council's share of the Business Rates Collection Fund deficit in 2015/16 will be £13.2m (excluding the planned impact of spreading backdated appeals based on the calculation undertaken in 2013/14). This deficit will be wholly taken into account in setting the 2016/17 budget. This deficit includes a deficit brought forward from 2014/15 of £3.9m that arose mainly due to the impact of providing for Business Rates appeals earlier than originally anticipated when setting the 2015/16 budget. The in-year deficit for 2015/16 of £9.3m largely relates to a substantial level of successful backdated appeals.
- 4.10 A significant risk to the level of future business rates income is the very recent application by NHS Trusts across the country for mandatory business rates relief on charitable grounds. If granted this would potentially have a major impact on the business rates income for the Council. However, due to the lack of information and uncertainty that surrounds this it has not been factored into business rates income forecasts included in this business plan.
- 4.11 In 2013/14, the City Council spread the cost of its backdated appeals over five years. The impact of making provision for backdated appeals settlements will charge £9.8m (£4.8m City Council share) to the collection fund in 2016/17.

## Business Rates Summary

- 4.12 The overall resources available from business rates income for 2016/17 is summarised in Table 5.2.4, with the City Council's net resources being £187.9m.

Table 5.2.4 - Net Resources from Business Rates 2016/17				
	Business Rates £m	Planned Spread of Backdated Appeals £m	15/16 (Surplus)/Deficit ** £m	Net Resources £m
BCC	(205.842)	4.752	13.206	(187.884)
Government*	(209.618)	4.849	13.475	(191.294)
WM Fire Authority	(4.201)	0.097	0.269	(3.834)
<b>Sub Total</b>	<b>(419.661)</b>	<b>9.698</b>	<b>26.950</b>	<b>(383.012)</b>
Enterprise Zone*	(6.294)	0.061	1.462	(4.772)
<b>Gross Business Rates</b>	<b>(425.955)</b>	<b>9.759</b>	<b>28.412</b>	<b>(387.784)</b>

\*Government and Enterprise Zone figures are shown net of compensation in relation to Enterprise Zone reliefs.

\*\* includes deficit carried forward from 2014/15

- 4.13 Projected business rates income to be retained by the City Council for 2017/18 onwards is set out in Appendix 3 and Table 5.2.1.

## Future 100% Retention of Business Rates

- 4.14 The Chancellor announced in the Spending Review in November 2015 that, by the end of Parliament, local government will retain 100% of business rates income, to fund local services. The main local government grant, RSG, will be phased out and there will also be additional responsibilities, and therefore costs, associated with this transfer which local authorities will have to incur, in order for it to be fiscally neutral to the Government. There will be a consultation on the new proposals launched during 2016.
- 4.15 It is not yet known when the implementation of this new arrangement will commence or how it will be implemented. Due to this uncertainty, but the expected fiscal neutrality, for the time being our resource projections are based on the current funding methodology.

## 5. Council Tax

- 5.1 In order to maintain an appropriate level of income from Council Taxpayers, and to mitigate the need to make savings as much as possible, a base Council Tax increase of 1.99% is proposed for 2016/17. In recognition of the particular pressures on adult social care e.g. demographic changes and the implementation of the National Living Wage, the Government announced in the Spending Review 2015, that it is enabling local authorities responsible for adult social care to raise up to an additional 2% of council tax income to provide funding for those services. The Council, like many, if not most, social care authorities considers that this is the best way of going some way towards addressing these cost pressures. However, the

adult social care pressures significantly exceed the income yielded from the Social Care Precept.

- 5.2 The Localism Act 2011 removed the Government's ability to cap Council Tax increases and instead requires local authorities to consult local residents via a referendum if an "excessive" level of Council Tax is proposed. The Government has announced that for local authorities like the City Council an "excessive" Council Tax would be one where the increase is 2.0% or more. An additional 2% flexibility has also been granted for the Social Care Precept. In effect therefore, the council tax increase would need to be 4.0% or more before a referendum would be required. The proposed increase of 3.99% will not, therefore, require a referendum.
- 5.3 The taxbase to be used for setting the 2016/17 Council Tax was agreed by the Cabinet at its meeting on 26 January 2016. The tax base consists of 239,042 "Band D equivalent" properties, after allowing for a collection rate of 97.1% (including the impact on collection of the Council Tax Support Scheme). This tax base is now fixed for setting the 2016/17 Council Tax.
- 5.4 The tax base has increased by 4,953 Band D equivalent properties compared with 2015/16. The tax base was calculated after taking account of the Council Tax Support Scheme.
- 5.5 The proposed City Council's element of Band D Council Tax will be £1,204.65 for 2016/17. This includes the additional 2% increase for the Social Care Precept.
- 5.6 This would mean that the Council Tax requirement for City Council services in 2016/17 will be £288.0m.
- 5.7 A 1.99% increase in the base council tax for future years has been assumed for planning purposes. In addition, a 2% increase for the Social Care Precept has been assumed until 2019/20. The forecast levels of Council Tax income for 2016/17 to 2025/26 can be seen in the LTFP and Efficiency Statement in Appendix 3.

### **Council Tax Support**

- 5.8 At its meeting on 12 January 2016 the City Council confirmed its Council Tax Support Scheme for 2016/17. A discount of up to 80%, dependent on the income and circumstances of the claimant, will continue to be applied in general to those of working age with a low income. However, a discount of up to 100%, again dependent on income and circumstances, will continue to be applied to the following categories of people with low incomes:
- Pensioners (as prescribed by legislation).
  - Parents of dependent children aged 6 or under.
  - Those who qualify for a carer's premium.
  - Disabled people in receipt of a disability premium or a disabled child premium.

- War pensioners.
- Claimant or partner in receipt of Employment and Support Allowance with a qualifying disability benefit.

5.9 There will be a facility to backdate claims for up to a maximum of one month, and a hardship fund has been set aside for those experiencing financial difficulties.

5.10 Had the City Council allowed a greater level of discounts within the Council Tax Support Scheme then it would have received less Council Tax income. This would have resulted in the City Council needing to make greater service expenditure reductions in 2016/17. Alternatively the City Council could have implemented a Council Tax Support Scheme that awarded a lower level of discounts. This would have resulted in the City Council needing to make fewer service expenditure reductions in 2016/17. The City Council determined that, on balance, the approved Council Tax Support Scheme represented the most appropriate way forward.

### **Council Tax Collection Fund**

5.11 It is estimated that the Council Tax Collection Fund will have a surplus at the end of 2015/16 of £6.6m. The City Council's share of this is £5.8m, which has been taken into account in setting the 2016/17 budget.

## **6. Parish Precepts**

### **New Frankley in Birmingham Parish Council**

6.1 The New Frankley in Birmingham Parish Council agreed its precept on 18<sup>th</sup> January 2016. The precept for the Parish in 2016/17 is £44,321 (2015/16: £43,287). The tax base for the New Frankley in Birmingham Parish is 1,312. The effect of the parish precept on the level of Council Tax for a Band D property is £33.78. This represents an increase of 1.44% in the Band D parish precept compared with 2015/16.

6.2 Following the introduction of the localisation of council tax support and the associated discounts, New Frankley in Birmingham's tax base reduced significantly. The City Council is continuing to pay New Frankley in Birmingham a grant of £40,899 to compensate for the reduction, in recognition of the Council receiving additional Government grant for this purpose.

### **Sutton Coldfield Parish Council**

6.3 Following a Community Governance Review, the City Council on the 15<sup>th</sup> September 2015 approved the creation of Sutton Coldfield Parish Council. The Council Business Management Committee agreed the Reorganisation Order at its meeting on 4 January 2016. This included the budget requirement for the 2016/17 financial year of £1,823,850. The tax base for 2016/17 for the Sutton Coldfield Parish is 36,509. The effect of the parish precept on the level of Council Tax for a



Band D property is £49.96. 2016/17 will be the first year for Sutton Coldfield Parish Council.

- 6.4 The City Council has not received any Government grant funding in respect of council tax support discounts in relation to Sutton Coldfield Parish Council precept and therefore there is no compensation payment to Sutton Coldfield Parish Council to offset the impact of the discounts.

## 7. Formal Determination of Council Tax

- 7.1 Legislation specifies the way in which the Council Tax figures must be calculated. To the extent that other sources of income are insufficient, expenditure has to be funded through the Council Tax Requirement. The consequence of this calculation is that the City Council must set a “balanced budget”. Table 5.2.5 shows how the City Council gross expenditure translates into its Band D Council Tax and, as required by law, also shows this calculation when including Parish precepts and Enterprise Zone growth.

<b>Table 5.2.5 Council Tax Requirement</b>	<b>City Council Services</b>	<b>Incl. Parish Precepts and Enterprise Zone Growth</b>
Gross City Council Expenditure	3,093,771,775	3,098,831,614
Parish Precepts		1,868,171
Less: Estimate City Council Income (excluding business rates, core Government grants and Council Tax)	-2,258,491,047	-2,258,779,217
<b>City Council Net Budget</b>	<b>835,280,728</b>	<b>841,920,568</b>
Less:		
Business Rates	-205,841,596	-212,135,971
Business Rates (surplus)/deficit	17,957,841	19,481,047
Revenue Support Grant	-226,586,895	-226,586,895
Top Up Grant	-127,066,744	-127,066,744
Council Tax Collection Fund (surplus)/deficit	-5,781,172	-5,781,172
<b>City Council Council Tax Requirement</b>	<b>287,962,162</b>	<b>289,830,833</b>
<b>Divided by taxbase</b>	<b>239,042</b>	<b>239,042</b>
<b>Band D Council Tax</b>	<b>1204.65</b>	<b>1212.47</b>

- 7.2 The City Council's Band D Council Tax for City Council services will be £1,204.65. This figure is an increase of 3.99% over 2015/16 including the 2% additional council tax in relation to the Social Care Precept. The notional Band D Council Tax across the City, after including the Parish precepts is £1,212.47.

## 8. Fire and Rescue Authority and Police and Crime Commissioner Precepts

8.1 The Police and Crime Commissioner approved his budget and precept amounts on 12 February 2016, and the Fire and Rescue Authority met on 15 February 2016, to agree the precept on the City Council.

8.2 The information received in respect of these major precepts is as follows:

Table 5.2.6 – Major Precepts 2016/17

	Total Precept £m	Band D £
Police and Crime Commissioner	x	x
Fire and Rescue Authority	x	X
Total	x	X

8.3 The charges for each Council Tax Band can be seen in Appendix 4.

## 9. Directorate Grants

9.1 In addition to corporate grants, the City Council also receives a number of grants that are used for specific purposes by Directorates. These are grants where the Government has placed additional responsibilities on local authorities, and has provided increased funding accordingly, or where the grant is ringfenced in some other way. Details of all Directorate grants expected to be received in 2016/17 and 2017/18 can be seen in Appendix 2 along with further detail of the largest Directorate Grants over £5m.

## 10. Other Income

10.1 The City Council aims to maximise the income that it can generate in order to minimise both levels of Council Tax and the impact of the cuts required on services. The 2016/17 budget has been based upon the generation of £289.1m of income. This is a £13.7m increase from the level of income in 2015/16.

10.2 The Corporate Charging Policy adopted by the City Council details why, what, how and when the City Council should charge for its services and also when these should be reviewed. In summary:

- Services should raise income wherever there is a power or duty to do so. Net income maximisation to the City Council should be the ultimate aim of any charging policy, subject to any legal constraints, policy priorities and market considerations.
- A number of the City Council's charges are set by statute. Where they are not, where possible, charges should cover the full cost of providing the service (including overheads, returns on capital investment and the cost of administering the charges), taking account of competitors' charges for like for like services

both in the public and private sector. Charges may be set below this level if policy objectives suggest that charges should be subsidised (the budget for any subsidy must be identified).

- Methods of payment should be flexible and convenient, including taking into account the needs of those on low incomes.
- Charges are updated at least annually, with reports being considered over 37 charging areas. A number of charges are set by statute; where they are not, due consideration is given to how the charges will affect access and usage of services, comparison to competitor charges and market conditions.

## **Chapter 3: Financial Strategy (Revenue)**

### **1. Future Council Vision and Service Priorities**

- 1.1 The City Council's financial plans have been developed in the context of the Future Council Vision, including strategic objectives and design principles as set out in Part 2.
- 1.2 There has been a continued focus on the Council's financial position over the medium-term, and not just upon the budget for 2016/17, with the objective of setting out balanced financial plans over a four year period, including an indicative budget for 2017/18.
- 1.3 The Council has further developed its medium- and long-term financial planning approach and this Business Plan contains a 2016/17 Budget, and Indicative 2017/18 Budget (as agreed with the DCLG as part of the Council's Improvement Plan), financial forecasts for 2018/20 and a 10 year Long-Term Financial Plan and Efficiency Statement. These show balanced financial plans throughout this period, although the extent of savings delivery risk is clearly recognised, as are the potential impacts of pressures and grants and other changes, such as business rates localisation. The reserves strategy provides a level of potential mitigation against those.

### **2. Financial Challenge**

- 2.1 The City Council's financial plans have been developed to take account of the following:
  - The continuing reductions in Government grant funding.
  - Expectation of income from Council Tax and Business Rates.
  - Funding to meet budget pressures and the cost of investment in priority services, including changing needs in the City's population.
  - Inflation.
  - Provision for increased employer's pension costs.
  - Equal Pay liabilities.
  - Costs of redundancies.
  - Capital financing costs based on the capital budget, informed by interest rate expectations.
  - The strategic use of corporate reserves on a planned and sustainable basis.
- 2.2 After taking account of the above factors, savings have been planned in order to balance the budget in the medium-term. Further cumulative savings of £251m are planned over the next four years.

- 2.3 The outlook for corporate revenue resources (Government grant, Council Tax and Business Rates) is set out in Chapter 2, and this information is not repeated here.

### **3. Investing In Priorities and Addressing Pressures**

- 3.1 The budget for 2016/17 includes increased budget allocations of £23.7m, both to fund investment in priority services and to address budget pressures. This figure rises to £109.7m by 2019/20.
- 3.2 Despite the challenging financial position, the Council is continuing to provide further resources each year for child protection services – an extra £4.7m in 2016/17, growing to £7.0m from 2017/18 onwards, in addition to the extra £24.5m per year already put in place in previous years. These resources will meet the expected increase in needs and allow for the recruitment of more social workers.
- 3.3 The Council will continue to invest in adult social care, both to meet the costs of the increasing number of older people requiring care (£6.6m in 2016/17, rising to £26.6m by 2019/20) and also to address the extra costs within the care sector arising from the implementation of the Living Wage. By providing additional funding of £3.9m in 2016/17, in addition to general inflationary increases, the City Council expects to be able to have funding which will allow social care providers to be able to afford an hourly rate of pay of at least £7.50 per hour. Budgetary provision is planned to increase further throughout the four years of the financial plan, allowing the Birmingham Living Wage to be affordable by 2018/19.
- 3.4 The City Council will utilise the Social Care Precept to contribute towards these extra costs of adult social care. This will provide additional funding of £5.5m in 2016/17, rising by similar amounts in each subsequent year to total £22.9m by 2019/20. Should the Council not adopt the Social Care Precept it would impair/prevent the Council's funding of these measures.
- 3.5 In addition to the above investment in social care services, the City Council has also made policy decisions to fund other priorities. Full details are set out in Appendix 5 with the largest items being:
- The costs of undertaking the Council's responsibilities under the Care Act now that specific grant funding is being discontinued (£5.0m).
  - Further staff costs, reflecting the revised approach to salary progression under the new "My Appraisal" process (£3.2m).
  - £2.0m in order to set up a Community Initiative Fund, which will provide resources for locally-determined spending priorities.
  - Additional waste disposal costs, reflecting expected increases in the number of households in Birmingham together with the impact of changes in taxes (£0.8m rising to £1.9m).

- 3.6 In addition, funding is also being provided to address unachievable income targets, and to meet a range of unavoidable budget pressures, including those that have been identified through the monitoring of the budget in 2015/16 and where business cases have already been approved.
- 3.7 At the same time, some corporate costs are expected to reduce, including meeting insurance liabilities, the ITA Levy (see paragraph 13.1), the ongoing costs associated with ICT investment in previous years and the phased support to cushion the impact of Education Services grant reductions. In addition, extra income is anticipated from the recovery of costs associated with pursuing Council Tax debts.

#### **4. Inflation**

- 4.1 In common with others, the City Council faces general inflationary increases in its costs, although it also expects services to review all charges regularly to at least maintain income levels in real terms. The OBR's Consumer Price Index (CPI) projections have been used to determine the inflation rate in the short-term, unless the terms of major contracts provide for a different rate. This budget is being held corporately in policy contingency. In addition, an allowance for national changes in national insurance rates has been made.
- 4.2 The Chancellor has announced the Government's expectation that there will continue to be wage restraint in the Public Sector. Accordingly, an increase of 1% per annum has been allowed within pay budgets for the next four years, with a long-term planning assumption of a 2.5% increase from 2020/21 onwards.

#### **5. Pension Contributions**

- 5.1 In common with other employers and pension funds, there is a deficit in the City Council's share of the WMPF in respect of benefits already accrued and expected to be accrued relating to employees' service up to 31 March 2014. This has arisen due to a number of factors, with lower investment returns than hitherto expected or experienced in the current economic climate being the major one. This deficit needs to be addressed through long-term additional lump sum contributions. The contribution rate for current service has been increasing over the three year period 2014 - 2017.
- 5.2 The Council has agreed a payment profile with the WMPF for the three years 2014 - 2017 based on progressive City Council contribution increases, the continuation of which was forecast to lead to full deficit recovery over a 22 year period. This also included a phased introduction of increases in the employer's "future service" contribution rate.
- 5.3 The next valuation at 31 March 2016 will entail a major reassessment by the WMPF and its actuary to determine and agree the required level of contributions commencing in 2017/18. In view of the continuing low investment yield environment,

there is the potential for a further increase in contributions from 2017/18 onwards, although a range of factors will need to be taken into account and no decisions have yet been made. This represents a significant financial risk for the Council.

- 5.4 The City Council is working with consultants in conjunction with the other West Midlands local authorities, and in liaison with the WMPF, in order to identify future options to be appraised in conjunction with WMPF to respond to the implications of the next valuation.
- 5.5 The City Council will continue to take advantage of a discount in the level of the payments to the WMPF as a result of agreeing to pay contributions up-front, at the start of the financial year.
- 5.6 The expected additional employer contributions arising from the introduction of pension auto-enrolment has been included from 2017/18 onwards.

## **6. Equal Pay**

- 6.1 The City Council has received claims under the Equal Pay Act 1970 and has therefore made provision within its accounts. The 2014/15 Statement of Accounts recognised total estimated equal pay liabilities of £1.2bn for claims received as at 31 March 2015. Of the estimated total liability, £681.2m had been settled by 31 March 2015, comprising £37.7m for the HRA and £643.5m for the General Fund.
- 6.2 The revenue implications of Equal Pay settlements have been reflected in both the budget for 2016/17 and in the LTFP and Efficiency Statement in relation to later years. This includes capital financing costs arising from capital expenditure in previous financial years, loss of income or other costs arising from any asset sales, together with the repayment of funds borrowed from earmarked reserves on a temporary basis. There will also be contributions from the HRA and schools. Net General Fund revenue costs are expected to be around £104m in 2016/17, an increase of £20m on 2015/16. This is expected to rise to around £113m by 2019/20.

## **7. Financing Costs**

- 7.1 The revenue effects of capital expenditure have been reviewed in the context of the Capital Programme set out in Chapter 6 of this report, and expectations of movements in interest rates. Further detail on this and Minimum Revenue Provision (MRP) can be seen in Chapter 7 and Appendix 14.

## **8. Redundancy Costs**

- 8.1 The City Council continues to need to reduce the size of its workforce as a result of implementing the savings needed to balance the budget. As noted in Part 6, it is expected that there will be a reduction of around 1,200 jobs in 2016/17, on top of the reduction approaching 10,000 jobs over the last five years. This amounts to a reduction of over 40% in the Council's workforce over this period, and further reductions in the medium-term are likely.
- 8.2 Whilst there will always be some natural turnover in the number of staff, redundancy costs are unavoidable, together also with the costs of some additional "strain" on the pension fund as a result, if the necessary level of savings is to be delivered. The City Council is planning to take advantage of the relaxation in the application of capital receipts which has recently been announced by the Government. Having had regard to the Direction issued by the Secretary of State, and the associated statutory guidance, the Council's Efficiency Strategy for these purposes will entail meeting the costs of redundancy wholly from capital receipts in 2016/17, in order to enable the achievement of the necessary reduction in future revenue costs and/or facilitate the transformation of service delivery. The costs to be funded in this way are expected to amount to £17m in 2016/17 (and a further £14m in 2017/18 and £7m in 2018/19). These costs will be kept under review as part of the Council's on-going financial monitoring arrangements, including regular reporting to Cabinet. Any changes to the budgeted figures set out above will be approved by the Cabinet in accordance with the Council's normal financial governance arrangements. Clearly, it will be important to ensure that effective arrangements are in place for the generation of the necessary level of capital receipts – please see also Chapters 5 and 6.

## **9. Use of Reserves**

- 9.1 The City Council has very limited reserves which are neither ringfenced (especially schools and the HRA) nor which have been earmarked for specific purposes, including the use of Government grants received in advance of the expenditure which they will be funding. The City Council's external auditor has commented that general reserves still only provide the Council with limited capacity to deal with overspends and delays in delivering savings. However, it must be borne in mind that reserves can only be used on a one-off basis, which means that their application does not offer a permanent solution to the requirement to deliver significant reductions in the future level of Council expenditure.



- 9.2 Nevertheless, the Council was able to create an Organisational Transition Reserve as a result of the review of its policy for making provision for debt repayments (MRP), spreading them more evenly over a fixed future period. Of the sum created in this way, £28.5m has been utilised in 2015/16, leaving a balance of £72.8m from 2016/17 onwards. This is available to mitigate future savings and ensure a stable and deliverable transformational transition to new ways of delivering services, and also as a risk contingency. It is proposed that £12.7m of the reserve will be utilised in balancing the indicative budget for 2017/18.
- 9.3 As a result, it is expected that there will be a substantial balance in this reserve (£60.1m) which will be available as a risk contingency, to provide a level of safeguard against the possibility that there might be delays in achieving some of the savings in the plan, especially in view of the major transformational change that are entailed in some of the proposals.
- 9.4 The Council has reviewed the level of all of its other corporate reserves, and this financial strategy utilises limited amount of resources in order to assist in budget setting, although the net budgeted use of the Council's corporate reserves will reduce compared to 2015/16.
- 9.5 The City Council will utilise a net £5.1m of corporate reserves in the 2016/17 budget in the following ways:
- A net contribution to the capital fund of £7.4m will be made in relation to funding of Equal Pay.
  - Other one off resources of (£10.0m) generated in previous years will be carried forward and used in 2016/17.
  - (£3.5m) use of the Treasury Management reserve to support the 2016/17 budget.
  - £1.2m contribution to reserves for future pension costs.
  - There is a net £1.7m of borrowing, relating largely to net borrowing of the Highways PFI reserve of £2.5m to support the 2016/17 budget offset by minor repayments of £0.8m.
- 9.6 As in previous years the Council's strategy is to continue to build its non-earmarked reserves by making planned contributions of £1.5m per annum. The strategy is, therefore, to increase general balances to £33.5m by 31 March 2020.
- 9.7 The profile of the Highways PFI grant is different to the payment profile of PFI costs, resulting in more grant being received in earlier years than is required to meet the costs of the Highways PFI payments. This additional grant has been earmarked as a reserve to meet the shortfall in grant in later years. The Highways PFI reserve has been used over the last few years to smooth Redundancy and Pension Fund payments. As in previous years the borrowing from Highways PFI Grant reserve is factored in to be repaid before the grant is required to meet PFI costs.

9.8 The movements, can, therefore, be summarised as follows:

<b>Table 5.3.1 - Movements in Corporate Reserves</b>			
	<b>Contributions to / (from)</b>		<b>Movement</b>
	<b>2015/16</b>	<b>2016/17</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Movements to general fund balance	1.500	1.500	0.000
Contribution to Capital Reserves	8.465	7.432	(1.033)
Use of one off resources from previous years	(12.177)	(10.016)	2.161
Treasury Management	(1.586)	(3.486)	(1.900)
Contribution to Reserve for Future Pension Costs	0.000	1.211	1.211
Use of Organisational Transition Reserve	(28.500)	0.000	28.500
<b>Sub-total Use of Reserves</b>	<b>(32.298)</b>	<b>(3.359)</b>	<b>28.939</b>
<b>Repayments and Borrowing</b>	<b>9.421</b>	<b>(1.692)</b>	<b>(11.113)</b>
<b>Total Reserves Movement</b>	<b>(22.877)</b>	<b>(5.051)</b>	<b>17.826</b>

9.9 After taking account of planned contributions to and from reserves and balances, the position is expected as shown in Table 5.3.2 below:

<b>Table 5.3.2</b>						
Directorate / Description		2015/16	2016/17	2017/18	2018/19	2019/20
Corporate		£m	£m	£m	£m	£m
Corporate	Corporate General Fund Balance	27.5	29.0	30.5	32.0	33.5
Directorate	Directorate Carry Forward Balances	6.6	6.6	6.6	6.6	6.6
Corporate	Organisational Transition Reserve	72.8	72.8	60.1	60.1	60.1
<b>Total Un-earmarked Reserves</b>		<b>106.9</b>	<b>108.4</b>	<b>97.2</b>	<b>98.7</b>	<b>100.2</b>
Directorate	Highways PFI Grant gross	85.1	82.9	82.0	80.7	78.6
Direct / Corp	Less Temporary borrowing	(33.2)	(35.7)	(27.2)	(28.3)	(24.6)
Direct / Corp	Highways PFI Grant net	51.9	47.2	54.8	52.4	54.0
Direct / Corp	Reserves for budgets delegated to schools <sup>1</sup>	66.5	67.0	67.5	68.0	68.0
Corporate	Treasury Management	5.4	1.9	1.9	1.9	2.0
Directorate	Insurance Fund	10.0	10.0	10.0	10.0	10.0
Corporate	Capital Fund <sup>2</sup>	78.4	85.8	55.0	56.3	57.7
Corporate	One off Resources from previous year	10.0	0.0	0.0	0.0	0.0
Corporate	Other Corporate Reserves	1.0	2.7	3.6	7.3	10.9
Directorate	Directorate Reserves	79.6	66.6	52.7	51.0	48.8
<b>Total Earmarked Reserves</b>		<b>302.8</b>	<b>281.2</b>	<b>245.5</b>	<b>246.9</b>	<b>251.4</b>
<b>Overall Total</b>		<b>409.7</b>	<b>389.6</b>	<b>342.7</b>	<b>345.7</b>	<b>351.6</b>

1. The application of these reserves is directed by the schools themselves

2. The Capital Fund is an integral part of the Council's strategy for the future funding of equal pay, and has been built up through the Council's Capital Resources Strategy.

9.10 In addition, individual Directorates plan to make a net use £15.2m of Directorate reserves and the Highways Maintenance PFI reserve in 2016/17 in order to:

- Deliver savings proposals
- Meet one-off costs from reserves earmarked for these specific purposes and
- Set aside resources to meet future costs

9.11 Directorate reserves will continue to reduce over the period to 2019/20.

## 10. Savings and Service Changes

- 10.1 The Council has taken a strategic and long-term approach to the development of the savings proposals needed in order to balance the budget. This has been closely linked to the Future Council Vision and the design principles which have been developed. During the course of the last year, there has been a particular (but not exclusive) focus on ways of managing the demand for Council services, as set out in Part 2.
- 10.2 The City Council has also had to consider, in some instances, whether it can no longer afford to provide the level of service which has been customary.
- 10.3 The individual savings proposals were set out in a corporate budget consultation document which was published on 9 December 2015. There have also been public meetings, and engagement with some specific groups, in order to allow people to find out more, and to offer their views on the proposals. There has also been the opportunity for people to respond electronically, and in writing.
- 10.4 Individual proposals may have been, or still be, the subject of separate stakeholder engagement on a Directorate basis, and their implementation be subject to separate decision-making in accordance with the Council's governance arrangements.
- 10.5 A summary of the key issues which have been the focus of public comment regarding the proposals set out in the corporate budget consultation, together with the Council's response, is set out in Part 4. As a result, the proposal regarding the budget for Local Welfare Assistance Provision has been revised, and the approach in relation to School Crossing Patrols has been changed.
- 10.6 In addition to the savings consulted upon this year, others were consulted upon previously, and for which further consultation has not been required.
- 10.7 The amended aggregate value of the savings proposals is now as follows:

<b>Table 5.3.3</b>	2016/17	2017/18	2018/19	2019/20
	£m	£m	£m	£m
New proposals subject to consultation	(73.5)	(141.3)	(181.3)	(215.5)
Less proposal included in tax base	0.2	0.2	0.2	0.2
Amendments	1.3	1.3	1.3	1.3

Revised total	(72.0)	(139.8)	(179.8)	(214.0)
Savings previously consulted on	(16.2)	(23.5)	(30.9)	(37.2)
<b>Total Savings Plan</b>	<b>(88.2)</b>	<b>(163.3)</b>	<b>(210.7)</b>	<b>(251.2)</b>

- 10.8 The implementation of the organisational change necessary to secure delivery of this significant level of savings will require effective management. Early action is being taken, subject to on-going consultation and final decision-making, to plan the necessary management actions needed. Progress will be closely monitored, with particular attention being given to areas that have been assessed as representing the highest risks. In order to mitigate the risk associated with this savings delivery programme, a central contingency of £10.8m will be held and, as has been noted above, one-off resources will remain in the Organisational Transition Reserve to provide some further contingency against delivery difficulties.

## 11. Revenue Budget 2016/17 – 2019/20

- 11.1 The legal requirement placed upon local authorities is to set a balanced budget for the forthcoming financial year, i.e. 2016/17. However, the City Council has been required by the Independent Improvement Panel to also set out an Indicative Budget for 2017/18 as part of its financial plans.
- 11.2 A summary of the expected financial position over the forthcoming four financial years, including that indicative budget for 2017/18, is set out below.

<b>Table 5.3.4 - Long Term Financial Plan and Efficiency Statement</b>					
	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Net Budget 2015/16	874.541	874.541	874.541	874.541	874.541
Policy Priorities & Pressures		23.656	45.558	79.939	109.711
Corporately Managed Budgets		(10.342)	43.906	17.250	18.242
Changes in Corporate Grants		0.411	(6.434)	(22.822)	(43.385)
Inflation		17.399	28.809	39.496	50.621
Net Movement in Reserves		17.826	(9.157)	28.778	33.556
Savings Programme		(88.210)	(163.336)	(210.653)	(251.245)
<b>Total Spend</b>	<b>874.541</b>	<b>835.281</b>	<b>813.887</b>	<b>806.529</b>	<b>792.041</b>
Core Grants (RSG )*	280.083	226.587	177.753	143.992	109.743
Core Grants (Top Up )	126.016	127.067	129.566	133.388	137.652
Council Tax	272.137	293.743	300.052	312.647	325.772
Business Rates	196.305	187.884	206.516	218.448	226.525
<b>Total Resources</b>	<b>874.541</b>	<b>835.281</b>	<b>813.887</b>	<b>808.475</b>	<b>799.692</b>
	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.946)</b>	<b>(7.651)</b>
<b>Cumulative Changes in Spend before Savings</b>		<b>48.950</b>	<b>102.682</b>	<b>142.641</b>	<b>168.745</b>
<b>Net Cumulative Reduction in Resources</b>		<b>39.260</b>	<b>60.654</b>	<b>66.066</b>	<b>74.849</b>
<b>Cumulative Savings Programme</b>		<b>88.210</b>	<b>163.336</b>	<b>210.653</b>	<b>251.245</b>
<b>Annual Increase in Savings Programme</b>		<b>88.210</b>	<b>75.126</b>	<b>47.317</b>	<b>40.592</b>

\* 2015/16 figure is actual grant received in that year without adjustment for specific grants rolled into RSG from 2016/17 onwards.

- 11.3 A longer-term perspective is also summarised in Appendix 3. This shows a credit balance building over the 10 year period but there will be as yet unknown pressures including pension costs for example, and there is also uncertainty relating to the Government's plans for the localisation of business rates.

## 12. Specific Items contained within the 2016/17 Budget

### 12.1 Policy Contingency

The 2016/17 budget includes a Policy Contingency totalling £54.5m. The table below shows the items held here:

<b>Table 5.3.5</b>	<b>£m</b>
Loss of Income from Car Park Closures	0.350
Carbon Reduction Commitment	1.020
Inflation Contingency	15.641
Highways Maintenance	0.750
Provision for non-achievement of savings	10.750
Youth Strategy	1.000
Birmingham Jobs Fund	2.000
Business Charter for Social Responsibility	6.539
Improvement Expenditure <sup>1</sup>	11.395
Combined Authority Start Up Costs	0.500
General Contingency	4.524
<b>Total</b>	<b>54.469</b>

Note 1 - Improvement expenditure includes extra funding in 2016/17 of £9.4m (of which £2.0m will be funded from reserves) on top of £1.0m in the base budget. A further £1.0m of costs will be funded by borrowing from reserves, to be repaid in later years. Additionally, the proposals for certain specific directorate savings have been shown net of £3.0m of implementation costs.

- 12.2 The proposed WMCA is due to be established during 2016/17. It is expected that there will be initial costs of preparing for and operating the combined authority, which the seven Metropolitan district councils will need to meet as its Constituent Members. It is proposed that each authority will include £500,000 in their budgets to provide for such potential revenue costs. (This budget is included in the policy contingency budget, as shown above.) The actual initial budget for the WMCA will be agreed in due course. This support will be for one year only, as it is expected that the combined authority will be able to raise its own revenue resources from 2017/18 onwards.
- 12.3 The unallocated General Contingency of £4.5m provides risk cover in the overall delivery and management of the budget in 2016/17.

### **13. Levies**

- 13.1 The budget for 2016/17 includes £49.0m (a 5% reduction on the £51.6m levy in 2015/16) in respect of the Integrated Transport Authority Levy (based on a £2.6m reduction in the City Council's share of the levy including an adjustment for the City Council's relative population share) and £0.3m (£0.3m in 2015/16) for the Environment Agency Levy.

### **14. Risk Management**

- 14.1 The council has a well-established approach to managing risk. It has recognised that risk is an integral part of innovation in order to deliver the planned outcomes and priorities of the council. By managing risk proactively we can take full advantage of opportunities and use the resources available to us more efficiently and effectively, improving the service to our customers.
- 14.2 The council's Corporate Risk Register which is a public document, is updated and reported to the Audit Committee three times a year.
- 14.3 With particular regard to the 2016/17 budget, 2017/18 indicative budget, and the LTFP for future years, even though the forecast value of future savings is less than that of savings already achieved, it is considered that the level of risk associated with the savings plan delivery has increased. This is the consequence of a combination of factors, including the extent of service and system transformation, complex joint working with partners, and proposed changes affecting our workforce which will require extensive consultation.

### **15. Statements by the Chief Financial Officer**

#### **Assessment of Budget Estimates**

- 15.1 Forecasts of available resources have been updated and revised where necessary. A range of financial issues, costs and projects/programmes have been identified and an appropriate level of budget has been provided. Proposals have been developed to deliver the required savings with due regard to consultation and equality assessment requirements, and management arrangements have been put in place to mitigate any residual risks as much as practically possible. Financial proposals have been developed in order to address the policy priorities of the Council. The budget is monitored closely, and there are contingencies and reserves/balances which could be made available, if necessary, to address unexpected events.
- 15.2 Therefore, taking the above into account together with the comprehensive business and financial planning process, the level of reserves and balances and the approach to risk management, the Strategic Director - Finance and Legal is satisfied that the 2016/17 budget proposals are based on robust estimates.

- 15.3 While it is not yet known how the Government will specify the requirements of the optional four year Efficiency Plan from councils, as part of the multi-year settlement offer, this Business Plan and incorporated Long-Term Financial Strategy and Plan will form the platform for this Council's submission.

### **Level of Reserves and Balances**

- 15.4 The financial challenge the Council is facing involves making savings that are of an extremely difficult and complex nature.
- 15.5 It has not been required to use the Organisational Transition Reserve to balance the 2016/17 budget, although it is presently forecast that £12.7m will be required in 2017/18. It remains prudent and necessary to retain this reserve, (£60.1m) in order to address any unexpected future events, as discussed above and to smooth the transition to a future operating model for Council services at significantly reduced costs. In addition, the Council's strategy is to continue to build its non-earmarked reserves by making planned contributions of £1.5m per annum. This will give rise to general balances of £33.5m by 2019/20.
- 15.6 In addition, there are rigorous arrangements in place for the management of the City Council's finances and un-earmarked and also earmarked funds that could be made available in the short-term, even if they might be needed in the long-term.
- 15.7 Therefore, the formal view of the Strategic Director - Finance and Legal is that the level of reserves and balances for 2016/17, summarised in this Business Plan, is adequate. This needs to be kept under regular review, both in the short and medium term.

### **Social Care Precept**

- 15.8 The Section 151 officer is satisfied that the council tax income yield from the Social Care Precept has been fully utilised to meet adult social care costs. As set out in paragraph 3.3 and 3.4 the Council has also identified additional resources in this area.



## **Chapter 4: Housing Revenue Account (HRA)**

### **Summary**

- 1.1 The HRA Self Financing Framework was introduced from April 2012 (as part of the Localism Act 2011) and this required local authorities to maintain a long term HRA Business Plan.
- 1.2 The HRA Business Plan 2016+ sets out the immediate and long term financial plans and is underpinned by a number of key operational assumptions (relating to property, arrears, debt, inflation and rent levels).
- 1.3 The HRA Business Plan 2016+ shows a balanced LTFP and incorporates the continuation of a debt reduction programme that commenced in 2014/15 (to match the expected life spans of existing properties).

### **Background**

- 2.1 The City Council is one of the largest providers of social housing in Europe, managing around 62,500 homes representing 15% of the total housing available within the City. There is a substantial level of unmet need for social and affordable housing in Birmingham, with a waiting list in excess of 20,000 households and the need for an estimated 26,000 additional social rented or affordable homes by 2031.
- 2.2 The HRA is a statutorily ring-fenced account that deals with income and expenditure arising as a result of the City Council's activities as a provider of social and affordable housing. The Local Government and Housing Act 1989 requires that income and expenditure relating to the City Council's provision of social and affordable housing must be accounted for within the HRA and that the proposed annual budget is balanced.

### **Strategic Overview and Context of Financial Pressures on the HRA**

- 3.1 The HRA is under considerable service and financial pressure to reflect national and local policy changes and in particular the following issues are highlighted:
  - The national rent policy introduced from April 2015, intended to cover a 10 year period, was been substantially amended by the Chancellor following his announcement in the Summer Budget on 8 July 2015, for the 4 years from April 2016. The policy will now be based on rent reductions of 1% per annum for 4 years, followed by annual increases at Consumer Price Index (CPI)+1% with rent convergence only taking place for new tenancies (full details of the rent setting policy are set out in a separate Cabinet Report considered on 16 February 2016). This new policy will reduce the rent income by £41m or 14% by 2019/20 (or 25% if fixed capital financing expenditure and debt repayments are taken into account).

- Impact of the Welfare Reforms and the introduction of the Universal Credit – research conducted by the Association of Retained Local Authorities indicated that arrears increased in those areas where Universal Credit has been introduced by an average of 16%. As direct payment of housing benefit to recipients is introduced, this pressure and associated collection costs are likely to increase substantially. In excess of 70% of the Council's HRA tenants are currently in receipt of housing benefit, and therefore the impact of this transition in Birmingham is likely to be significant.
- The Draft Housing and Planning Bill will also introduce new potential service and financial pressures. In particular, the 'Pay to Stay' policy (a Motion and Resolution was passed by the City Council on the 1 December 2015 opposing this proposal) and disposal of high value vacant local authority properties. In both cases, the receipts will be repayable to central government.
- The significant remaining equal pay liabilities relating to current and former HRA employees estimated at £12m to be discharged during 2016/17 and 2017/18.

#### **4. Key Outcomes and Strategic Housing Service Objectives**

4.1 The HRA Business Plan 2016+ is intended to support the following key strategic and housing service objectives:

##### **4.2 Building New Homes and Maintaining our Stock**

- Provision of new affordable housing to replace obsolete properties and provide a significant contribution to the Housing Growth Strategy and the Leader's Policy Statement (1,880 new council homes over the next ten years with an associated investment of £325m).
- Maintaining properties in their current improved condition (to ensure that the properties are not impaired) with capital investment of £597m over the next ten years.
- Life-cycle replacement of property components (windows, heating, kitchens, bathrooms, roofs, electrical components).
- Discharge of statutory day to day repairs and maintenance obligations (including compliance with health and safety on annual gas inspections), with investment of £672m over the next ten years. Following the re-procurement of repairs contracts, with the new contracts scheduled to take effect from 1 April 2016, savings have been identified (and are included in this investment) of in excess of £50m over the ten year period.
- Adaptations to properties to continue to promote independent living (an investment of £36m over the next ten years).
- Identification of net savings or additional resources to fund required future investment between 2019/20 and 2025/26 of £138m, including securing

additional grant funding for the ongoing BMHT new build programme.

#### **4.3 Local Housing and Estate Services**

- Continuing to refocus local housing management services to take a more integrated approach to Place Based Management, including housing issues rather than the historic functional approach.
- Modernise the delivery of local housing management services (introduction of annual visits, review and more rigorous enforcement of tenancy conditions, in particular anti-social behaviour).
- An ongoing review of estate based services that are subject to service charges (including caretaking, cleaning and sheltered housing services), with any resulting service redesigns and revisions to service charges to be delivered during 2016/17 and 2017/18, to ensure that changes in service provision to tenants are phased in over a suitable time period, with appropriate consultation built into implementation plans. These service reviews are designed to ensure that the services are efficiently delivered and offer good value for money to the tenants in receipt of the services, whilst ensuring that they are not cross-subsidised from other tenants not receiving the services.
- Secure efficiencies in Business Support Services to ensure that scarce resources are not unnecessarily diverted away from front line service delivery and investment priorities.

#### **4.4 Rent Policy**

- To ensure that the rent policy is consistent with the new national rent policy (rents will reduce by 1% in 2016/17 with further 1% reductions for the next three years, followed by increases of CPI +1% for subsequent years).

### **5. HRA Business Plan 2016+ and Budget 2016/17**

- 5.1 A summary of the HRA Self Financing Business Plan 2016+ is set out in Appendix 8.
- 5.2 In summary, the Business Plan will continue to ensure a sustainable and affordable long term financial plan for the housing service (sustained reduction in long-term debt and affordable rents) and this will be based on the following strategy:
- protecting the Birmingham Municipal Housing Trust programme (to recognise the need for social housing and the wider economic benefits including employment).
  - to maintain investment in our existing stock and continuing our programmes for replacement of key property elements.

- to 'drive down' day to day repair and maintenance costs (as achieved through the recent award of the new repairs contract by Cabinet in November).
- to secure efficiency savings in management of the housing stock and other business services.
- to improve our performance on collection of arrears.
- to re-phase our debt repayment programme and to include some new prudential borrowing to support the building of new social housing and for market sale properties (all within our debt cap and without significantly comprising our debt reduction programme by 2025/26).

5.3 A balanced revenue budget over the next 10 years based on the objectives and table 5.4.1 below:

- Substantial reductions in future rental income as a result of the implementation of the revised national rent policy as set out above.
- A clear focus on improved collection of rents from tenants, linked to the review and enforcement of tenancy conditions and continuation of the annual visits programme.
- Increased prudential borrowing within the HRA debt cap to replace revenue contributions required to support planned capital expenditure, including the BMHT programme and investment in existing housing.
- Re-phasing and deferral of the planned debt repayment and reduction programme to ensure a balanced overall position year on year. This rephasing does however continue to deliver a reduction in total HRA debt, with the balance outstanding falling to below £500m by 2034/35 and the achieving of a debt:income ratio of below 2:1 by 2026/27, which is two years later than previously targeted.
- The debt repayment strategy still includes loan redemptions from 2016/17 (although the total forecast debt outstanding by 2025/26 will be £833m or £40m more than the HRA Business Plan 2015+. This is being used to fund new social housing and for market sale properties).
- Average debt outstanding per property of £18,000 in 2016/17, reducing to £14,000 over the next 10 years (effectively our average mortgage on each HRA property).
- Maintenance of adequate reserves and provisions for potential bad debts (estimated for 2016/17 at £29m including minimum balances of £4m and provisions for bad debts of £25m).

**Table 5.4.1 Changes in HRA Budget between the Business Plan 2015+ and 2016+**

	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m
Business Plan 2015+	-	-	-	-	-
Chancellor's New – 1% Rent Policy	7.0	18.2	29.7	41.4	42.7
Repairs Procurement Saving	0.7	(3.4)	(5.0)	(5.6)	(4.2)
Funds Released by New Capital Resources	(1.6)	(5.1)	(17.4)	(12.0)	(0.2)
Review of Services Charged to HRA	-	(2.3)	(2.3)	(2.3)	(2.3)
Use of Contingencies	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Deletion of Vacancies	(1.7)	(1.7)	(1.7)	(1.7)	(1.7)
Improve Performance on Arrears Collection	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Re-Phase Planned Repayment of Debt	-	(5.0)	(5.0)	(5.0)	(5.0)
New Borrowing	-	(5.0)	(5.0)	(5.0)	(5.0)
Additional Interest on New/Phased Debt		0.6	1.2	1.8	2.4
Sheltered Housing Review	-	-	(4.0)	(4.0)	(4.1)
Other Changes (Property Numbers/ Equal Pay)	(1.2)	6.9	(1.9)	(3.1)	(2.9)
Business Plan 2016+	-	-	(14.6)	1.3	16.5

- 5.4 The comparison of the HRA budget for 2015/16 and the proposed budget for 2016/17 is set out in table 5.4.2 below:

Table 5.4.2	2015/16 £m	2016/17 £m	Change £m	Change %
Repairs	67.984	65.571	(2.413)	(3.5%)
Local Housing Costs	58.531	60.405	1.874	3.2%
Estate Services Costs	20.690	18.752	(1.938)	(9.4%)
Equal Pay	19.111	8.300	(10.811)	(56.6%)
Arrears (including DHP)	4.867	4.169	(0.698)	(14.3%)
Debt Financing Costs	54.308	53.529	(0.779)	(1.4%)
Debt Repayment	10.890	1.166	(9.724)	(89.3%)
Contributions for Capital Investment	53.576	75.143	21.567	40.3%
Total Expenditure	289.957	287.035	(2.922)	(1.0%)
Rental Income (net of Voids)	(266.726)	(263.098)	3.628	(1.4%)
Other Income/Service Charges	(23.231)	(23.937)	(0.706)	3.0%
Total Income	(289.957)	(287.035)	2.922	(1.0%)

The cost changes on the Local Housing and Estate Services elements substantially cancel each other out and relate primarily to realignment of staffing resources previously delivering the Concierge Service from Estate Services to Local Housing teams in order to resource the delivery of the annual visits programme.

## 6. HRA Business Plan 2016+ – Short Term and Long Term Financial Evaluation

6.1 The revenue aspects of the HRA Business Plan 2016+ are summarised below:

Table 5.4.3 HRA Business Plan 2016+	2016/17 £m	2017/18 £m	2018/19 £m	10 Year £m
Repairs	65.571	62.967	62.805	671.511
Local Housing Costs	60.405	60.197	59.631	611.410
Estate Services Costs	18.752	19.147	15.476	171.122
Equal Pay	8.300	3.900	-	12.200
Arrears	4.169	3.666	3.657	39.797
Debt Financing Costs	53.529	53.629	53.706	498.967
Debt Repayment	1.166	17.381	16.466	325.035
Contributions for Capital Investment	75.143	63.642	69.510	609.154
<b>Total Expenditure</b>	<b>287.035</b>	<b>284.529</b>	<b>281.251</b>	<b>2,939.196</b>
Rental Income (net of Voids)	(263.098)	(260.091)	(256.520)	(2,682.486)
Other Income/Service Charges	(23.937)	(24.438)	(24.731)	(256.710)
<b>Total Income</b>	<b>(287.035)</b>	<b>(284.529)</b>	<b>(281.251)</b>	<b>(2,939.196)</b>

## 7. Capital Programme

7.1 The capital expenditure plans for the council housing stock are set out in Table 5.4.4 below (including the major programmes and the financing of the expenditure). The capital investment strategy is based on ensuring that the properties continue to be maintained in their improved condition in order to promote strong and stable neighbourhoods and the provision of new social and affordable rented housing to meet the continuing demand and need for new homes.

Table 5.4.4 Capital Expenditure	2016/17 £m	2017/18 £m	2018/19 £m	Total £m
Housing Improvement Programme	55.822	57.192	58.063	171.077
Adaptations	3.286	3.351	3.418	10.055
New Build and Regeneration	74.355	54.765	37.053	166.173
<b>Total</b>	<b>133.463</b>	<b>115.308</b>	<b>98.534</b>	<b>347.305</b>
Funded by:				
Revenue Contributions	(75.143)	(63.642)	(69.510)	(208.295)
New Borrowing	(26.983)	(12.434)	(5.139)	(44.556)
Other resources	(31.337)	(39.232)	(23.885)	(94.454)
<b>Total</b>	<b>(133.463)</b>	<b>(115.308)</b>	<b>(98.534)</b>	<b>(347.305)</b>

## Chapter 5: Capital Resources

### 1. Summary

- 1.1 The Capital Programme is financed predominantly from prudential borrowing, Government grants and other contributions, and HRA resources. Capital receipts will generally be used to fund equal pay settlements and transformation projects under the Government's capital receipts flexibility scheme.

### 2. Capital resources

- 2.1 Resources of £965.9m have been identified to fund the City Council's multi-year Capital Programme. These are summarised in table 5.5.1 below, and can be divided into specific resources and corporate resources.

**Table 5.5.1**

<b><u>FINANCING THE CAPITAL PROGRAMME</u></b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>Total</b>
			<b>Onwards</b>	
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Specific Resources</b>				
Government Grants & Contributions	165.3	84.8	22.3	272.4
HRA Revenue Resources & Reserves	81.2	63.6	69.5	214.3
Other Specific Revenue Resources	5.0	0.2	0.2	5.4
HRA Capital Receipts	11.2	11.6	11.9	34.7
Capital Receipts to fund Redundancy Costs	17.0	14.0	7.0	38.0
<b>Total Specific Resources</b>	<b>279.7</b>	<b>174.2</b>	<b>110.9</b>	<b>564.8</b>
<b>Corporate Resources</b>				
Prudential Borrowing	171.5	91.5	138.1	401.1
Capital Receipts	0.0	0.0	0.0	0.0
<b>Total Corporate Resources</b>	<b>171.5</b>	<b>91.5</b>	<b>138.1</b>	<b>401.1</b>
<b>Total Resources</b>	<b>451.2</b>	<b>265.7</b>	<b>249.0</b>	<b>965.9</b>

### 3. Specific resources

- 3.1 Specific capital resources total an estimated £564.8m over all years and represent funding which has been obtained for a particular purpose - e.g. specific government grants, developer contributions, HRA revenue resources and HRA Right to Buy capital receipts. These projects are added to the capital programme on a rolling basis as the resources are awarded to the City Council and as HRA revenue resources and capital receipts become available.



- 3.2 The largest component of specific resources is Government grants and other capital contributions, for which the City Council is budgeting to receive £272.4m over the multi-year capital programme. The Government continues to support a number of major investment programmes in local authority assets. For the City Council this includes grants for Education Basic Needs (school places). These programmes will form a significant part of the capital investment undertaken by the City Council in the next few years. The Government also supports capital investment in the Highways Maintenance and Management PFI through revenue grant but as the City Council does not directly incur capital expenditure, PFI is not part of the capital resources shown in table 5.5.1 above.
- 3.3 HRA revenue contributions of £214.3m and HRA capital receipts of £34.7m are planned to support capital investment in the HRA Business Plan, in accordance with the self-financing reform of housing introduced by the Government in 2012/13.
- 3.4 Capital receipts totalling £38.0m over 2016/17 to 2018/19 will also be used to help fund redundancy costs required to deliver the Council's savings proposals, in accordance with the capital receipts flexibility announced in the Chancellor's 2015 Spending Review.
- 3.5 Other specific revenue resources of £5.4m are programmed to support capital investment across a number of minor schemes.

#### **4. Corporate resources**

- 4.1 Corporate capital resources presently assumed for the programme total £401.1m over the three years. These represent resources which the City Council has more freedom to allocate to meet its own policy priorities and expenditure commitments.
- 4.2 The City Council's capital financing plans seek to use capital resources in the most efficient way to finance the City Council's needs. This is also expected to include using borrowing to provide general support to the Capital Programme, where this replaces capital receipts or identified revenue resources which will instead be made available to fund Equal Pay settlements. All of the £401.1m corporate resources assumed in this Programme therefore are from prudential borrowing. Final decisions as to how best to fund the capital programme are taken as part of the capital outturn process at the end of the year. The review of major capital budget considerations (Chapter 6 overleaf) sets out a prudent policy in relation to future borrowing.
- 4.3 Capital receipts are expected to be used to finance equal pay settlements together with funding redundancy costs under the Government's recently announced capital receipts flexibilities. Equal pay settlements are a revenue cost (and are therefore not included in the Capital Programme) which Government Regulations enable local authorities to fund from capital receipts. The City Council will continue to explore opportunities for generating further capital receipts from asset sales. The financial

implications of the funding of Equal Pay settlements have been included in the Budget, and in the LTFP and Efficiency Statement in relation to later years. This takes account of borrowing costs and loss of income or other costs arising from asset sales.

- 4.4 The City Council will seek to identify and dispose of surplus assets actively with a view to securing good value for money (see Part 7 – Property and Other Physical Assets Strategy). The service review and savings proposals throughout this Business Plan include major reviews of property needs in programmes such as Open for Learning, which may result in further property sales or co-location with other service providers. As asset sale opportunities are developed they are approved through the City Council’s normal governance procedures.

## **Chapter 6: Capital Strategy and Programme**

### **1. Summary**

- 1.1 This chapter outlines the general principles, strategy, policies and considerations which guide the Council's capital planning, in terms of both expenditure and how it is resourced. It then sets out the proposed Capital Programme 2016+.
- 1.2 The City Council continues to have an extensive multi-year Capital Programme which totals £965.9m, of which £451.2m is budgeted for in 2016/17. Given the continuing constraints on corporate capital resources, the emphasis again is on seeking external funding where possible for new initiatives.
- 1.3 The Council will be placing an increased emphasis on working with community, business and public sector partners across Birmingham and the region to deliver improved investment outcomes for its residents.
- 1.4 Previous chapters have set out the forecast capital resources available over the next three years and the major financial considerations for capital resources and investment. This chapter sets out the proposed Capital Programme in this context.

### **2. Strategic capital planning**

#### **2.1 General principles for capital planning**

- 2.1.1 There are some general strategic principles underlying capital planning for all services. These are to:
  - Integrate capital planning into the City Council's overall strategic planning, both in general and as part of the Council Business Plan and Budget 2016+ and the LTFP and Efficiency Statement;
  - Maximise external funding and to supplement this with the City Council's own resources where appropriate, especially where external funding supports the City Council's priorities;
  - Base the City Council's vision on the priorities of the people of Birmingham, recognising that the Council will increasingly be a strategic influencer rather than a direct provider of services from its own property portfolio;
  - Procure the use of capital assets where this is affordable and delivers best value for money to the City Council, including a robust process for the appraisal and approval of capital projects and programmes (the 'Gateway' process);
  - Welcome the use of partnership working (for example with businesses and with the community) whilst retaining clear lines of accountability and responsibility;
  - Relate capital resources and expenditure planning to asset planning;

- Ensure that resources are identified to meet the costs of equal pay settlements and use of the Government's capital receipts flexibility scheme.

## **2.2. Capital strategy**

2.2.1 The Property and Other Physical Assets Strategy in Part 7 of this Business Plan sets the overall strategic approach to the City Council's asset planning.

2.2.2 The asset and capital strategies for individual services (Appendix 9) seek to identify the main plans at service level for strategically aligned and affordable asset use and capital investment. These relate as appropriate to the service plans and savings proposals contained throughout this Business Plan and Budget. The City Council's key priorities for capital expenditure therefore include:

- responding in particular to the overall need for service change and delivery in future years in the context of reducing revenue resources;
- using the capital resources at the City Council's discretion to address its key priorities;
- working with our community, business and public sector partners in Birmingham and across the region, and in particular with our partners in the GBSLEP and the prospective WMCA to develop the major strategic investment proposals envisaged by the WMCA Agreement; and
- seeking to maintain core assets at a level consistent with ongoing operational needs.

## **2.3. Prudential Borrowing and Debt**

2.3.1 CIPFA's Prudential Code sets a framework to ensure that capital expenditure plans are affordable; that any City Council borrowing and other long term liabilities are within prudent and sustainable levels; and that treasury management decisions are taken in accordance with professional good practice. The City Council has adopted the Prudential Code, and will use borrowing in accordance with the 'Prudential' system as a tool for delivering policy and managing its finances. Local authorities may borrow to finance capital expenditure, and the affordability of debt is the key constraint. Borrowing is also influenced by Government policy (for example the £336m additional Housing debt resulting from the reform of housing finance in 2012). The City Council sets and monitors prudential indicators (including local indicators) to manage its debt exposures.

2.3.2 Chapter 6 considers the Prudential Borrowing limit, and Appendix 12 sets out the full Prudential Indicators.

## **2.4. Debt Repayment Policy: the Annual MRP Statement**

- 2.4.1 Local Authorities are required by law to make prudent provision in relation to capital debt repayment (known as “Minimum Revenue Provision” or MRP). Government Guidance requires the full Council to approve a statement of its policy on MRP. The City Council’s proposed policy is attached at Appendix 13a. This reflects the revised policy approved by the City Council on 16 September 2014, with updates in relation to HRA MRP in accordance with the revised HRA Business Plan. A change is also incorporated in paragraph 8 and 8.1 of the MRP policy, which is to align the asset life used to calculate the MRP period more closely with the asset life used for depreciation accounting purposes. This is estimated to save £1.8m in 2016/17 and £1.4m from 2017/18 onwards, and enables a simpler MRP treatment which has the advantage of consistency with other asset life assumptions in the Council’s accounts.
- 2.4.2 The City Council’s MRP Policy is key to managing debt liabilities and generating the potential for headroom for new borrowing if affordable and required. The loan debt revenue repayment provision in this Business Plan amounts to £120.7m in 2016/17 rising to £146.0m in 2018/19. Half of the City Council’s loan debt outstanding at 31 March 2018 will be repaid in fourteen years by 2032, based on the current capital programme and MRP repayment provision, excluding any further prudential borrowing which may subsequently be approved. The HRA revenue repayment provision has been revised in accordance with the HRA Business Plan set out in Chapter 4 above.

## **2.5 The Approved Capital Budget and Business Case Appraisal**

- 2.5.1 Projects included in the Capital Programme will not proceed to spend until they have been approved through the City Council’s ‘Gateway’ business case appraisal process. This managed approval process appraises options to deliver desired outputs, sets out the rationale to support the recommended solution and ensures that all capital and revenue implications are identified and funded. Account is also taken of the outcome of consultations, equality and risk assessments, and contribution to the City Council’s strategic objectives.

## **2.6 Asset Sales and Capital Receipts**

- 2.6.1 The City Council’s general policy is that assets will be disposed of for cash at the best market value. Exceptions to this policy may be approved by Cabinet.
- 2.6.2 Apart from making use of the Government’s capital receipts flexibility as set out in the Revenue Financial Strategy Chapter above, the general presumption is that any new receipts will be used to meet Equal Pay costs. However, it is recognised that services’ existing approved capital plans may rely on the use of previously approved capital receipts in some instances, where the use of earmarked/incentive receipts is already included in the approved Capital Budget. In these instances, the earmarking or incentive remains in place (subject to approval of the Full Business Case in the

usual way). The Deputy Leader (through the Capital Receipts Board) oversees arrangements to allow services to obtain the revenue benefit of appropriate property sales, in order to incentivise the rationalisation of property holdings. The revenue benefit is currently estimated at 7.5% of the capital receipt, per annum. The revenue benefit might for example offset any loss of income arising to the service from selling an income-generating property. Statutory requirements or existing legal agreements relating to the use of capital receipts will be unaffected.

- 2.6.3 Capital receipts totalling £38m over 2016/17 to 2018/19 will also be used to help fund redundancy costs required to deliver the Council's savings proposals, in accordance with the capital receipts flexibility announced in the Chancellor's 2015 Spending Review.
- 2.6.4 Proposals by a service to appropriate land for a different purpose to its existing use will also be reviewed by the Capital Receipts Board before proceeding for formal decision, because the land could otherwise have been sold for a capital receipt. As a general principle, land no longer required for its existing use should be declared surplus so that options about its future use or sale can be considered.
- 2.6.5 The City Council is also encouraging community engagement in the delivery of some local public services using Council property assets. In support of this the City Council may be prepared to sell City Council assets at less than best value to third sector organisations which have the capabilities to use the assets to provide agreed services, in accordance with arrangements for Community Asset Transfers of property (CATs). It is recognised however that sales at less than best price may reduce the capital receipts available to fund other City Council needs and policies. Accordingly, proposed land sale discounts including CATs are reviewed by the Capital Receipts Board before proceeding for formal decision. CAT proposals will be assessed through a 'triage' process at an early stage in order to identify those proposals which have a reasonable prospect of success. Other properties, and CAT proposals which have been unsuccessful, will proceed for sale on the open market.

### **3. Development of the Capital Programme**

- 3.1 Capital expenditure funded from specific grants and contributions amounts to £272.4m in this Budget. Capital expenditure which is financed from specific grants and contributions has been included in the Capital Programme based on available information at the time of preparation. Additional projects are likely to be added to the budget during the year as and when resources become available. Given that the potential for further corporate funding will be limited, the focus will be on obtaining external funding.
- 3.2 The proposed Capital Programme includes £401.1m financed from borrowing over the Capital Programme period, of which £325.7m is self-financed from additional revenue income or savings. This includes major commitments from earlier decisions including funding for the ten year Enterprise Zone Investment Plan (£172.5m from

2016/17 onwards), the Sport and Physical Activity Strategy (£26.2m), and the Wholesale Markets relocation project (£29.7m).

- 3.3 The Capital Programme is revised by Cabinet on a quarterly basis taking account of new projects and new resources available. The additions to the Capital Programme, since last reported to Cabinet at Quarter 2 2015/16, are set out at the end of Appendix 10. New projects include £38.0m for use of the Government's capital receipts flexibilities, £24.0m for the National College for HS2, £7.6m for the Metro Centenary Square, £122.8m for year 3 of the HRA capital programme (funded from HRA specific resources) and £6.0m for year 3 of the Housing Private Sector capital programme.

#### 4. Total Capital Programme

- 4.1 The proposed Capital Programme has been prepared having regard to the City Council's plans and priorities set out in the Business Plan and Budget 2016+, the Property Strategy in Part 7 and in this Financial Plan in Part 5. The programme by Directorate is therefore as follows:

**Table 5.6.1 – Capital Programme by Directorate**

Capital Expenditure	2016/17	2017/18	2018/19 Onwards	Total
	£m	£m	£m	£m
People				
Adults & Communities	7.2	2.5	0.3	10.0
Children, Young People & Families	82.8	41.9	-	124.7
Place				
Parks, Sport, Districts & Other	73.4	9.1	0.7	83.2
Housing HRA	133.5	115.3	98.5	347.3
Housing Private Sector	13.1	8.9	5.0	27.0
Resilience	1.1	-	-	1.1
Corporate Resources				
Birmingham Property Services	1.1	0.0	-	1.1
Corporate Resources - Other	38.7	48.5	7.1	94.3
Economy				
Regeneration (incl Enterprise Zone)	65.7	17.4	131.0	214.1
Transportation	29.2	20.5	5.3	55.0
Highways	5.4	1.6	1.1	8.1
<b>Total Programme</b>	<b>451.2</b>	<b>265.7</b>	<b>249.0</b>	<b>965.9</b>

- 4.2 Appendix 10 provides a summary of the projects in the above Programme, and Appendix 9 summarises the asset and capital strategies and projects for major services.
- 4.3 The City Council increasingly works with partners to deliver capital investment in Birmingham in ways which are not necessarily reflected in the City Council's own budget. The City Council also acts as Accountable Body to manage resources and projects on behalf of others, in particular for the and GBSLEP and for Government Departments, and this funding is also in addition to the Council's own capital programme. Where this has been supported by Council borrowing, this has been allowed for in the Prudential Limit as required by the Prudential Code.
- 4.4 In the coming year the Council expects to work closely with its partners in the proposed WMCA to start delivering the Devolution Deal agreed with the Government. This is estimated to bring additional capital investment in excess of £8 billion over ten years across the West Midlands and associated LEP areas. This will require new ways of delivering capital investment involving a variety of delivery mechanisms appropriate to each investment programme.

## **5. Prudential Code and Indicators**

- 5.1 In determining the capital budget, the CIPFA Prudential Code expects local authorities to take account of various matters and to consider and approve a number of 'prudential indicators'. These relate to the Capital Programme generally as well as borrowing. The Prudential Indicators at Appendix 12 take account of the above capital budget.
- 5.2 The City Council's proposed Prudential Limit retains some limited scope for new prudential borrowing over and above what is included in the proposed capital programme, for example where subsequent business cases demonstrate that revenue costs can be met from additional income or savings, and to ensure the City Council has some resources for essential capital works and key priorities.
- 5.3 The Prudential Limit for Debt represents the Authorised statutory limit for the City Council, which must not be exceeded. Authorities should therefore allow for risks, uncertainties, and potential changes during the year which will need to be accommodated within this overall limit. In particular, the proposed limit for 2016/17 allows for:
- Borrowing to finance capital expenditure;
  - Other forecast cashflow movements during the year and potential day-to-day fluctuations in debt levels;
  - Revenue provisions to repay debt; and
  - Changes in other long term debt liabilities, primarily capital expenditure under the Highways Maintenance PFI.



The limit does not include any potential prudential borrowing implications for the City Council as a result of Curzon Street Enterprise Zone extension. This will depend on future City Council decisions.

- 5.4 Taking these factors into account, the Prudential Limit for Debt has been set at £4,300m for each of the three years 2016/17 to 2018/19. The limit is calculated as follows:

**Table 5.6.2 - Forecast debt and Authorised Prudential Limit, based on the current capital programme**

	<b>2016/17 £m</b>	<b>2017/18 £m</b>	<b>2018/19<sup>1</sup> £m</b>
Forecast opening gross debt (incl. PFI etc)	3,684	3,983	4,020
Capital expenditure financed from borrowing (Appx 6B):			
- Self funded	141	49	15
- Requiring budget support	31	43	1
Other cash flows (including Equal Pay settlements)	270	110	60
Less Loan debt revenue repayment provision	(121)	(143)	(146)
Change in PFI and similar liabilities	(21)	(22)	(22)
<b>Forecast closing gross debt (incl. PFI etc)</b>	<b>3,984</b>	<b>4,020</b>	<b>3,928</b>
Allowance for planned cashflows, day to day fluctuations and other potential borrowing	316	280	372
<b>Authorised Prudential Limit for Debt</b>	<b>4,300</b>	<b>4,300</b>	<b>4,300</b>

<sup>1</sup> figures for 2018/19 show that year only and exclude later years

<b>Analysis of forecast closing gross debt (incl. PFI etc):</b>			
General Fund debt	2,855	2,896	2,815
HRA debt	1,129	1,124	1,113

- 5.5 Appendix 11 analyses planned prudential borrowing between projects which are self-financed through additional income or savings, borrowing to support the financing of equal pay, and projects whose borrowing requires additional budget

support. The Prudential Indicators do not make this distinction between debt which is self-financed and debt which requires net revenue support from Council resources. The Council's revenue budget includes provision to meet the net cost of all the above borrowing.

- 5.6 Use of prudential borrowing in the next few years will be constrained by the City Council's reducing revenue resources and the need to maintain the sustainability and affordability of its debt position, and close control will be exercised over all prudential borrowing for new projects. Services generally meet the costs of prudential borrowing they propose from within their current and forecast net revenue budget.
- 5.7 HRA borrowing will also continue to be constrained during 2016/17 by the statutory HRA debt cap. Although the Government has agreed a limited relaxation to the Council's HRA debt cap, this represents only a small increase.

## **Chapter 7: Treasury Management Strategy**

### **1. Summary**

- 1.1 This chapter sets out the proposed Treasury Management Strategy for 2016/17 given the interest rate outlook and the City Council's treasury needs for the year, and in accordance with the Treasury Management Policy at Appendix 14.
- 1.2 A balanced strategy is proposed which maintains a significant short term and variable rate loan debt in order to benefit from current low rates, whilst taking some fixed rate borrowing to maintain an appropriate balance between the risks of fixed rate and short term / variable rate borrowing. The balance between short and long term funding will be kept under review by the Strategic Director - Finance and Legal, and will be maintained within the prudential limit for variable rate exposures.
- 1.3 Separate loans portfolios are maintained for the General Fund and the HRA. Separate treasury strategies are therefore set out below where relevant.<sup>19</sup>

### **2. Treasury Management Policy and Objectives**

- 2.1 The Treasury Management Policy (Appendix 14) sets the City Council's objectives and provides a management and control framework for its Treasury Management activities, in accordance with CIPFA's Code of Practice for Treasury Management in the Public Services.
- 2.2 For the City Council, the achievement of high returns from treasury activities is of secondary importance compared with the need to limit the exposure of public funds to the risk of loss.
- 2.3 These objectives must be implemented flexibly in the light of changing market circumstances.

### **3. City Council Borrowing Requirement**

- 3.1 The table below shows the amount of new borrowing required to be obtained in each of the next three years, taking account of the proposals in this Business Plan and the amount of existing loans which are repaid and need replacement:

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<sup>19</sup> This Strategy relates to loan debt only. Other debt liabilities relating to PFI and finance leases are not considered in this Strategy, and are managed separately. Throughout this Business Plan, debt and investments are expressed at nominal value, which may be different from the amortised cost value used in the statutory accounts.

**Table 5.7.1 – Forecast Borrowing Requirement**

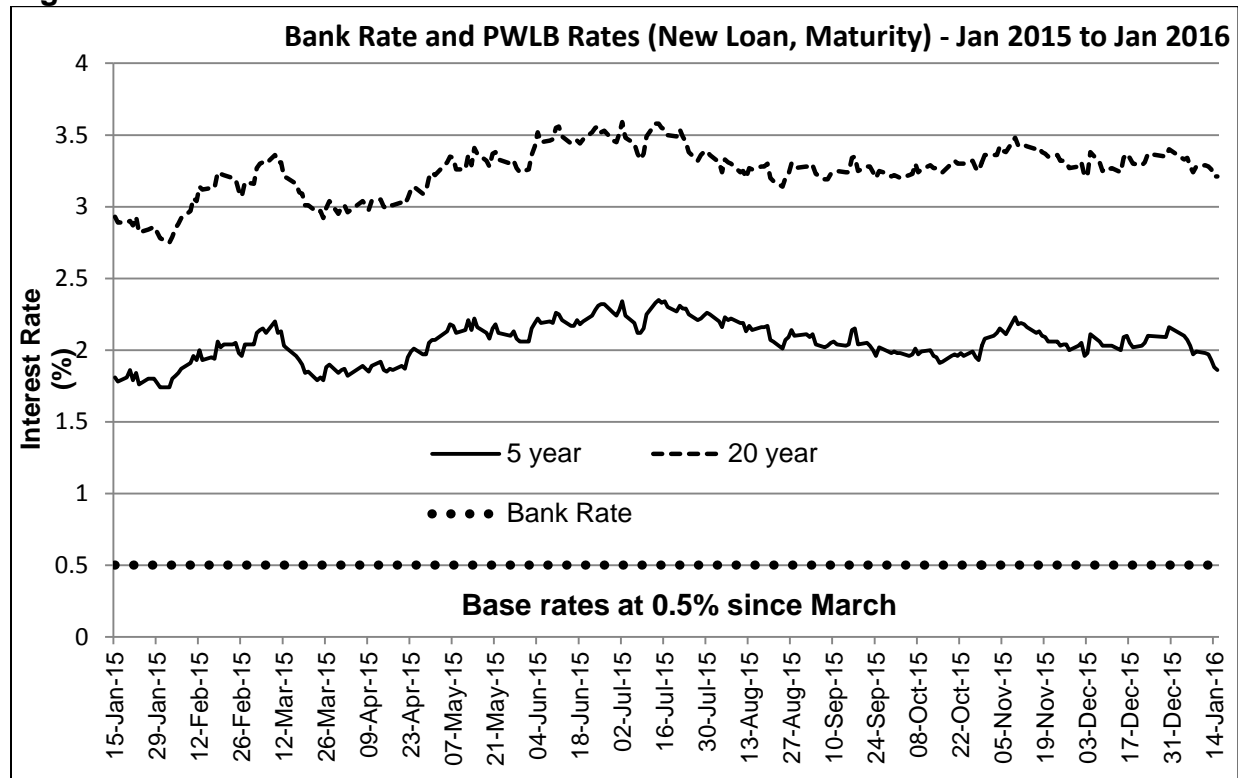
	2016/17 £m	2017/18 £m	2018/19 £m
Forecast gross loan debt	3,490.5	3,549.9	3,480.4
Forecast treasury investments	- 40.0	- 40.0	- 40.0
Forecast net loan debt	3,450.5	3,509.9	3,440.4
of which:			
existing long term loans outstanding	2,670.6	2,621.5	2,576.5
Short term investments working balance	- 40.0	- 40.0	- 40.0
Required new/ replacement loan balance	819.9	928.4	903.9
	3,450.5	3,509.9	3,440.4

This strategy sets out how the City Council plans to obtain the required new borrowing shown above.

- 3.2 The City Council has borrowed £206.3m of Lender's Option Borrower's Option (LOBO) loans in which the lender has the right to call for repayment at certain dates during the loan term. Around £186.3m of these options have the potential to be exercised during the coming three financial years (£46.3m in 2016/17, £40.0m in 2017/18 and £100.0m in 2018/19). This would increase the City Council's required loan refinancing needs, but is considered unlikely to happen in the current market environment.

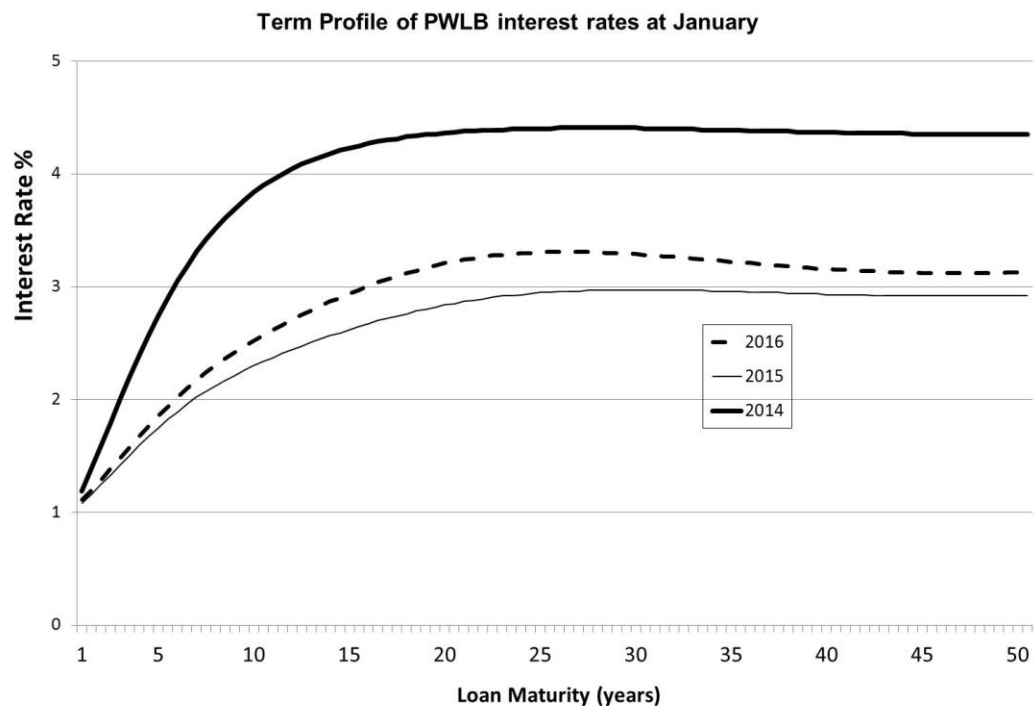
#### **4. Interest Rate Outlook**

- 4.1 After a period of stronger GDP growth, the balance of risks to economic recovery is currently on the downside. Downbeat economic news from Europe and China and the effect of the UK Government's austerity programme suggest that the pace of recovery in the UK in the next few years will be slow. This would exert a downward influence on UK inflation, as would further weakening of commodity prices (especially oil). In this context it will be difficult for the Monetary Policy Committee to start increasing base rates. The Governor of the Bank of England has also stated that base rate rises will be slow and gradual. This budget assumes an increase of 0.6% in short term market rates by the end of March 2017.
- 4.2 Long term interest rates look likely to remain low during 2016/17 given the economic conditions noted in the previous paragraph, although an upwards trend may be expected at some point when global growth prospects improve or inflation expectations rise. It is likely to be in the City Council's long term interests to take some long term fixed rate borrowing in the coming year or so in order to limit the proportion of short term and variable rate borrowing.
- 4.3 The figure below shows how base rates and long term rates from the Public Works Loans Board (PWLb) have moved since January 2015 – although past performance is, of course, not necessarily a guide to the future.

**Figure 5.7.2**

- 4.4 Figure 5.7.3 below shows PWLB loan rates in early January 2014, 2015 and 2016. The cost of fixed rate borrowing is below rates in 2014, but has increased a little since January 2015, and continues to increase steeply from 1 year rates to ten year rates:

Figure 5.7.3



5.5 Upside risks to UK interest rates in 2016/17 include the following:

- Marked indications of significant US, UK or Eurozone economic recovery
- Re-emergence of inflation concerns

Downward pressures on UK interest rates include:

- Further weakness in UK and international economies
- Lower than expected inflation, or deflation
- Eurozone sovereign debt crisis or banking crisis re-emerge
- International political instability

## 5. Sources of borrowing

5.1 The City Council is able to borrow from the PWLB at its 'certainty rate' at approximately 0.8% above gilt yields.

5.2 The City Council will consider using other sources of long term borrowing if the terms are suitable. This may include private placements, bilateral loans from banks, local authorities or others, loans from the European Investment Bank, or loans from

the Municipal Bonds Agency which is proposing to borrow from the capital markets and on-lend to local authorities.

- 5.3 Short term borrowing is available largely from other local authorities. It may be possible to supplement this with borrowing from other sources such as banks.

## 6. 2016/17 Strategy: HRA and General Fund

- 6.1 The HRA inherited a largely long term fixed rate debt portfolio at the start of the current HRA finance system in 2012, and its debt is capped in accordance with statutory HRA debt limits. For the next three years from 2016/17, its debt is not changing significantly as a result of the current HRA Business Plan. No new long term borrowing for the HRA is therefore currently planned.
- 6.2 For the General Fund, a balanced strategy is proposed which maintains a significant short term and variable rate loan debt in order to benefit from current low short term rates, whilst taking some long term fixed rate borrowing to limit the Council's exposure to increases in short term and variable interest rates. The budget assumes new long term fixed rate borrowing of around £180m in 2016/17. This takes advantage of the low long term fixed rates currently available, and reduces the impact of future interest cost increases. It also ensures that variable rate exposures remain within the 30% prudential limit (set out in Appendix 12d). However, this will be more expensive for the next year or two than variable rate funding, so it would mean higher costs in the short term in return for potentially lower costs in the long term. This has been factored into the treasury management budget.
- 6.3 Based on this strategy, the following table summarises, for the Council as a whole, the new long term and short term borrowing proposed to fund the required new or replacement borrowing each year:

**Table 5.7.4 – Proposed Borrowing Strategy**

	2016/17	2017/18	2018/19
	£m	£m	£m
cumulative new borrowing:			
new long term loans	180.4	280.4	280.4
new short term loans	639.5	648.0	623.5
Required new/ replacement loan balance	819.9	928.4	903.9

- 6.4 The General Fund and HRA exposures to short-term and variable interest rates in accordance with the strategy above is as follows:

**Table 5.7.5 - Forecast Variable Rate Exposure based on the proposed borrowing strategy**

<i>(taking account of debt maturities and proposed long term borrowing)</i>	2016/17 £'m	2017/18 £'m	2018/19 £'m
<b>Housing Revenue Account</b>			
Year end net exposure to variable rates	127.9	139.0	140.2
Closing HRA net loan debt	1,129.3	1,124.4	1,113.0
Variable exposure % of debt	11.3%	12.4%	12.6%
<b>General Fund</b>			
Year end net exposure to variable rates	520.6	513.9	478.3
Closing General Fund net loan debt	2,321.2	2,385.5	2,327.4
Variable exposure % of debt	22.4%	21.5%	20.6%
Year end variable interest rate	1.3%	1.9%	2.1%

- 6.5 The variable rate exposure means that a 1% rise in variable rates at the end of 2016/17 would cost an estimated £5.2m per annum for the General Fund, and £1.3m per annum for the HRA. However, the budget provides for an increase in variable rates (as indicated above), which is considered to be prudent in this context.
- 6.6 The Policy Statement sets limits for exposure to variable rates of -30% (maximum net investments) to +30% (maximum net borrowing). These figures show that variable rate exposure is forecast to remain well within these limits for the next three years, even if no further long-term fixed rate borrowing is taken.
- 6.7 This strategy therefore acknowledges the risk that maintaining a significant short term and variable rate loan debt may result in increasing borrowing costs in the longer term, but balances this against the savings arising from cheaper variable interest rates. The Strategic Director - Finance and Legal will keep the strategy under close review during the year, in the light of the City Council's financial position and the outlook for interest rates.
- 6.8 The Treasury Management Prudential limits and indicators consistent with the above strategy are set out in Appendix 12, including a summary loan debt maturity profile.
- 6.9 The Treasury Management Strategy must be flexible to adapt to changing risks and circumstances. The strategy will be kept under review by the Strategic Director - Finance and Legal in accordance with treasury management delegations.



## 7. Treasury Management revenue budget

7.1 Based on this strategy the proposed budget figures are as follows:

**Table 5.7.6 - Treasury Management Budget**

	2016/17 £'m	2017/18 £'m	2018/19 £'m
Net interest costs	148.2	156.5	153.2
Revenue charge for loan debt repayment	120.7	143.4	146.0
Other charges	2.3	2.0	2.2
Total	271.2	301.9	301.4
met by the HRA	54.7	71.0	70.2
met by other service budgets	83.8	90.0	90.2
met by corporate treasury budget	132.7	140.9	141.0
Total	271.2	301.9	301.4

7.2 The increase in budgeted costs reflects the projected increase in short term interest rates, long term interest rates, and the cost of the additional borrowing in this Business Plan. Actual interest costs will be affected not only by future interest rates, but also by the City Council's cash flows, the level of its revenue reserves and provisions, and any debt restructuring.

## 8. Investments

8.1 Since the banking crisis in 2008, the City Council's approach has been to reduce direct lending to banks and to increase use of the AAA rated Sterling money market funds which are approved in the Investment Policy. These pooled funds are able to reduce credit risks in a way the City Council cannot do independently, by accessing top quality financial institutions and spreading the risk more widely.

8.2 Within the overall Investment Policy, the City Council has generally used a more restricted list of banks since the financial market turmoil of 2008. This has enabled the City Council to adjust investment strategy to take account of the rapid developments in market conditions, including greater use of Sterling-denominated Money Market Funds rather than direct investments in single institutions. As the banking crisis has abated, more use has been made of direct lending to financial

institutions. As market conditions continue to change during 2016/17, investment strategy will be kept under review and adjusted accordingly.

- 8.3 Significant changes in banking regulation are continuing to take place in order to address some of the issues arising from the banking crisis. The Council will consider secured forms of lending such as covered bonds and repo agreements, but these instruments are not generally available for short term and smaller size deposits. In this context, the Council's Investment Policy set out in the Treasury Management Policy at Appendix 14 continues to require a minimum credit rating which remains within 'investment grade' ratings.

## **9. Other Treasury Management exposures and activities**

- 9.1 The City Council has supported proposals to develop supply chain finance for the Council's suppliers. This enables the Council's suppliers to raise short term finance based on invoices due from the Council, and the benefit of this can be passed down the 'supply chain' to subcontractors. Through this mechanism, the Council has the opportunity to provide finance to suppliers when invoices are approved for payment. Repayment of the investments is assured by the Council's own payment on the invoice due date, so there is no credit risk to the Council. The Council will also be prepared to provide supply chain finance through these arrangements in relation to invoices payable by other public bodies meeting the credit criteria in the Treasury Management Policy. Subject to final evaluation, this activity is planned to begin in 2016/17, and the additional income arising has been built into the savings in this Business Plan.

## **10. Advisers**

- 10.1 Capita Asset Services provides treasury management advice to the City Council, including the provision of credit rating information. Advisers are a useful support in view of the size of the transactions involved and the pressures on staff time.

## **11. Prudential Indicators for Treasury Management**

- 11.1 The City Council is required under the Local Government Act 2003 and the CIPFA Prudential Code for Capital Finance in Local Authorities to set various Prudential Indicators for treasury management. These are presented in Appendix 12d.

## PART SIX - OUR PEOPLE

**“Our People will be dynamic, agile and capable to adapt to our ever changing environment, meeting our citizens needs with a can do, will do mind-set reflecting our values at all times”.**

Our people are at the heart of how we work with and for our citizens. We have a workforce of just over 15,000 (headcount) excluding schools who reflect the typical local government profile; being predominantly female and mature with nearly 60% over 40. We work within a diverse city and we are not yet fully reflective of all the communities that we serve; addressing this will be embedded in our workforce plans.

Our employees have faced significant challenges over recent years. We have already reduced our headcount by a third since 2010, whilst requiring our people to be more flexible, adaptive and agile to address changing customer needs, reduced budgets and new ways of providing services. They have risen to meet these demands keeping citizens at the heart of all they do, in a very challenging landscape.

Our people include 120 Councillors who work with our citizens, undertaking ward visits and surgeries listening to issues and suggestions for improvement and enabling and supporting access to our services.

The Leader and our Chief Executive are clear that our culture must always be one of openness, honesty and engaging on every occasion with citizens. This will ensure that we aspire to create a citizen focused culture working collaboratively to make a positive difference every day to people lives.

Our Councillors and Officers already work together on a number of partnerships. Partnership working relationships will continue to be critical going forward as we move away from directly delivering services. There are up to 200 partnerships in operation.

Our people tell us what they think of our vision and direction through various channels including; engagement events, employee surveys, team meetings and dialogue with our trades unions. We are working hard to make sure our people have a voice and action is taken in response. Last year we radically changed our performance appraisal scheme to respond to feedback from our people, we have also built our core values and behaviours in this way.

## Our values-led organisation



Our values are at the heart of all that we do. Our values are being embedded in all of our People policies, procedures and performance and development frameworks. They will be our reference point for checking whether we have the right people in place doing the right things in the right way.

## Our Workforce Challenges

As a council we will have a different role in the city – one that still involves delivering quality services, but one that is also increasingly commissioning services from others to enable citizens to meet their needs, with a focus on services and not buildings. This means that we need to fundamentally alter how our organisation operates and is structured. The vision for the Future Council in 2020 is:

A modern council – a one contact approach which aims to get it right first time, puts people first, endeavours to achieve excellence and acts openly and honestly. It provides value for money and duplication is eradicated. It is a strategic influencer, rather than always being a direct provider of services.

As an organisation it means we will change:

- To a strategic council, working collaboratively with partners to achieve outcomes and potentially delivering fewer direct services.
- From a big to medium sized employer – fewer Councillors and Officers influencing others to ensure we are a Living Wage City that creates employment and development opportunities for our citizens.
- Working at different multiple levels to achieve the best results for citizen – adopting an individual, local, city-wide or regional approach depending on which is most appropriate.
- To a more agile way of working to reduce the need for extensive assets, i.e. buildings, maximising role flexibility whilst benefiting from cutting edge IT.
- Our administrative support to a small core, sharing intelligence and supporting strategic and community leadership.
- To promoting and encouraging the independence of citizens.

## **Our People Plan**

We are operating in a rapidly changing environment and facing the challenges of becoming smaller and reducing our people numbers. Nevertheless, we have high expectations and great ambition for our city and our people.

We are developing a set of core plans that include the following to support our people to achieve:

### **Capacity**

Over the coming years as a Council we will have a different role in the city – one that still involves delivering quality services, but one that is also increasingly commissioning services from others to enable citizens to meet their needs, with a focus on services and not buildings.

This means that we need to fundamentally alter how our organisation operates and is structured. This will mean reductions in headcount of around, 1,200 for 2016-17, and changes to job roles and ways of working.

We will review our recruitment and retention policies to ensure we have the right people with the right skills and behaviour's doing the right things in our teams. Our teams will receive support in regularly reviewing their workforce planning requirements in accordance with demand and how the service is provided

## Culture

Our underlying culture principles are ones of openness, honesty and engagement in which a good Councillor and a good Officer is one who understands the aspirations and ideas of our citizens and provides support to enabling them to receive the services they require

We will support our culture change by enabling our people to work agilely, enabled by a good IT infrastructure. Our Senior Management Team will visibly role model this way of working to ensure our people are clear on what they need to do. This approach will ensure that we aspire to create a citizen focused culture working collaboratively to make a positive difference every day to people's lives.

## Capability

We are developing capability plans to equip all of our colleagues with the knowledge and skills required to work agilely, across boundaries internally and with partners and the community.

All our people will have a clear development plan that will support and grow their skills, knowledge and experience. This will be underpinned by using regular performance discussions with line managers to shape careers and feed into the talent management and succession planning framework.

## Our Workforce Savings Programme

It is a delicate balance to ensure that we have an organisation ready for the future in an environment where significant savings are required. We recognise that these challenges will have a fundamental impact on our people just when we need to be ready for a complete step change in delivery.

We will work with our people and their representatives to identify different options and approaches to address this challenging agenda.

Our people will be affected by our savings programme in the following ways as we need to:

**Improve the effectiveness of our people planning to reduce costs and improve efficiency - to be implemented in 2016/17**

Proposed changes include the following:

- a recruitment freeze on all posts unless the role is classed as critical.
- an increase in the number of apprenticeships as a way of broadening the diversity of the workforce and creating a supply of skilled workers for the city.
- reduce expenditure on agency workers over the next 12 months.
- develop a comprehensive internship programme to develop local talent.

## Our People

- review and, where appropriate, remove layers of management to ensure decision making happens closest to the citizens.
- unpaid leave sabbaticals for staff.

Savings target of £10.5 - £16m.

### **Change to terms and conditions of employment – to be implemented in 2017/18**

We need to develop a package of measures which will enable us to reduce the wage bill by circa £18m a year. The ideas so far are:

- increase the standard working week from 36.5 hours a week to 37 - in line with the majority of other local authorities.
- review JNC pay and reward.
- amend the provision of the sickness pay scheme.
- freeze the payment of performance related increments for three years .
- remove subsistence allowance for those away on business.
- revise the hours for night pay from 8pm - 6 am to 10pm - 6 am.
- apply a single standardised standby payment scheme.

Savings target of £15-£18m.

### **Provide a new employee benefits package**

We will create a new core offer for our people that will enable agile working, a career portfolio and is supported by the Birmingham Reward & Benefits. The purpose of these proposed changes is to ensure that we continue to attract and retain great talent by providing employees with:

- Greater autonomy and agility in working practices, locations and hours of work - wherever practicable.
- Opportunities to develop careers and experience within the council and with our partners.
- A reward package that offers choice and options.
- Core contractual offer for those moving to other providers.
- These proposals could deliver a number of benefits – financial and non-financial:
- enable employees to buy and sell annual leave.
- reduced property costs through an increased use of 'hot desking'.

- create a new framework to facilitate greater opportunities for agile & flexible working that works for the business & our employees.
- reduction in recruitment costs because of more effective succession planning and talent management.

### **Achieve a reduction in headcount and change ways of working**

We have launched consultation on a range of proposals to change or reduce services and ways of working that could lead to a reduction of around 1,200 jobs in 2016-17.

### **On-Going Consultation**

We will engage and consult with our people about how we can achieve the savings, efficiencies and workforce reductions in a number of ways and consider all options with the aim of reaching agreement:





## **Our approach to Potential Reductions**

We will explore ways to mitigate redundancies and provide support for all our people ensuring everyone is treated with dignity and respect whether they remain in the organisation or for those that leave and become our advocates.

We provide a programme of support for our people where they are identified as at risk of potential redundancy in our annual Section188. This support includes career transition skills and opportunities to secure employment with other local employees.

Our approach to funding our redundancies is set out in the Financial Plan (Part 5)

## **PART SEVEN - PROPERTY AND OTHER PHYSICAL ASSETS STRATEGY**

### **1 Introduction**

- 1.1 Property plays a significant part in the successful delivery of the City Council's Business Plan. The right type of property, in the right place is essential to deliver the council's services, along with the necessary staff and technology. It is an expensive resource, being the biggest cost after staffing. As such it must be managed corporately alongside the other key resources, people, IT facilities and infrastructure and finance within an integrated strategic planning framework.
- 1.2 The following sections outline the City Council's overall strategy for property and other assets.

Appendix 9 summarises the asset and capital strategies of major service areas.

### **2 General Strategic Aims**

- 2.1 The Council is continuing the process of progressive change to align future property assets with developing changes in the organisation. In recent years a significant proportion of the council's property assets have been progressively changed to support the council's Business Plan. This has enabled the delivery of substantial change in the way the Council operates, its staff work and the delivery of services. Along with the delivery of changes, the sale of surplus property has contributed capital receipts, lowered ongoing property costs and reduced the environmental impact, in the context of legislative requirements for local authorities as property landlords.
- 2.2 Looking forward, the Council will continue to take a strategic approach to planning future property requirements. The City Council's strategic objectives in relation to its property and other long term physical assets include:
  - To ensure that assets are fit for purpose in terms of suitability, sufficiency, condition, cost, environmental impact and affordability.
  - To keep the City Council's portfolio of capital assets under review and managed according to best practice through the Asset Management Planning process, including the rationalisation of property holdings where appropriate.
  - To take an integrated approach to all aspects of property planning and management, taking account of whole lifecycle implications.
  - To deliver value for money from any investment in the retained estate.
  - To utilise the optimum property in accordance with the City Council's strategic objectives and service delivery plans.

2.3 The need to respond to changing service delivery needs and the Council's changing financial position will require further substantial change in the future asset portfolio. The development of new models of service delivery brings challenge to previous arrangements. Much of this strategy formulation and analysis of financial and other practicalities is significantly informed through the corporate property function. General themes include:

- Potential for co-location/integration of Council and partners' front line services into multi-service buildings, providing one point of access for customers. This will allow limited financial resources to be directed to a smaller number of better maintained and improved buildings.
- Increased joint working with other public sector partners and third sector organisations to share buildings and provide a wide range of services to people from one building.
- Consideration of third sector organisations ability to take on the delivery of City Council services (and potentially their delivery point), is subject to an assessment process where options are evaluated, taking into account business management capacity, capital receipt opportunities, revenue cost reductions, output/ outcome delivery value and priority, etc.
- Flexible accommodation, the potential to fully utilise space – ensuring space in buildings is fully utilised at all times and capable of alternative utilisation at minimal cost.
- Increased sale or other strategic release of assets to achieve Council objectives and provide funding for its expenditure commitments.
- New service models which are less capital, revenue and asset intensive.

2.4 The overall strategic aims for the non-operational assets (commercial investment property portfolio) are:

- To review the estate and maintain income generation whilst rationalising and disposing of non performing and surplus property assets.
- To invest as far as possible to maintain or enhance income levels.

### 3 Current Asset Portfolio and Context

3.1 The properties and other physical assets held by the City Council include:

Property Type
Adult Education Centres
Allotments (leisure gardens and small holdings)
Car Parks including Multi-storey
Cemeteries
Cemetery & Crematorium
Central Administration Buildings (CABs)
Children & Family Residential homes
Church Yards
Community Centres / Halls
Community Day Nurseries
Council dwellings
Depots
Education Establishments (schools)
Day Centres – children, elderly and learning disability
Environmental Residential Centres
Golf Courses
Leisure Centres including sports halls and pools
Libraries
Markets
Museums & Arts (held in trust)
Offices
Parks (including public open space, play areas and recreation grounds)
Roads (in km) (managed via PFI)
'Sure Start' Properties
Youth Centres
Youth Offending Team Properties
Commercial Portfolio (Let to third parties)
Land and buildings held for charitable purposes

3.2 The council's property portfolio is fairly representative of most councils' portfolios, comprising a mix of service delivery properties and properties let to third parties. The majority of ownership is within the city boundaries but there is notable ownership beyond the boundaries into neighbouring authorities including Solihull, Bromsgrove and Warwickshire. The full extent of BCC ownership represents c.40% of the city by land area.

3.3 Resources are constrained, and services have to make hard choices on expenditure. Future service delivery models will have implications for the assets needed to support those services, and this is reflected in the current draft review of the City Council's asset management plans, e.g. linkages with, ICT Strategy,

changes in conditions of service for staff and major service initiatives, such as “open for learning”.

- 3.4 Facilities management costs, backlog condition and energy efficiency in conjunction with other service related factors are all expected to guide investment and disinvestment decisions. Capital resources for asset maintenance are limited, but the council has introduced policies around whole life costing to protect the investment in new build by ensuring resources are provided for cyclical maintenance of new assets. Efficiencies are being delivered from the ongoing management improvements in facilities management, in terms of both costs and service delivery, which will help services to manage constrained revenue budgets in terms of the property that they chose to use in the future.

#### **4 Supporting Council strategic outcomes**

- 4.1 Property and other physical assets form part of the City Council’s corporate resources. As such the Council will review and manage them on a corporate basis in accordance with its overall Business Plan strategic outcomes and principles.

#### **5 Supporting Service Plans**

- 5.1 Asset management plans are now being more closely aligned with Service Plans. These not only take account of service based delivery changes, but look for innovation in the way services are delivered, coupled with synergy across council service areas and partners taking into account the financial pressures which the council faces. This links with the Future Council Programme and brings to corporate programmes such things as “open for learning” and other initiatives, with future property change requirements.
- 5.2 In general asset management challenges are increasing and significant effort is being applied across the council, looking at innovative ways of delivering services, across all directorates and with public sector partners. The future years’ financial pressures are, inevitably, leading to harsher challenges relating to the affordability of the existing property estate.

#### **6 Service Rationalisation and Asset Management Planning**

- 6.1 Most services have undergone substantial service reviews during recent years and their service asset management plans have been updated as a result. These are now beginning to suggest the need for more extensive property rationalisation, purely because there are no budgets to pay for this in the future. This includes operational office accommodation and takes account of drives to create smaller teams, greater agile working, etc.
- 6.2 These plans are directly attributable back to the service delivery plans driven by the service’s future operating models (FOMs). The outcomes of those plans are highlighted in the service capital strategies, but in the main continue to demonstrate

the investment required by their property portfolio to meet the needs of the service, e.g. in simply tackling issues of condition, modernisation to meet corporate and national initiatives.

- 6.3 However, with the projections of further reductions in central government funding these plans are subject to further ongoing review and redesign. The ability of services to disinvest is hampered by the current state of the market, both in terms of values and demand. However, the disposal strategy reinforces the linkages between service planning and asset rationalisation, with an imperative to also reduce the revenue running costs of the property base (of which closure / disposal is one vital tool).
- 6.4 The Council's financial policies in Part 5 Chapter 6 of this Business Plan support service asset review by allocating an annual 7.5% of the asset sales proceeds to appropriate service revenue budgets, equivalent to the borrowing costs savings relating to the capital receipt.
- 6.5 The use of shared service buildings is a developing and innovative approach that is becoming an increasingly important area of work for the future. Pilot examples now in place include Sparkbrook Community and Health Centre (joint project with NHS delivered through LIFT Co providing a range of City Council and Health services as well as third sector services), and The Shard (providing new Council services as well as space for third sector agencies and public sector partners). A number of service areas are looking further such proposals on a variety of scales. The flexibility of the space to enable alternative use and capability of the space to achieve shared occupation across services and including third party occupation is seen as the standard to achieve.

## **7 Strategic Use of Assets**

- 7.1 The Council will use its assets strategically to support service realignment as appropriate. For example, a range of property has been transferred to different services to support Birmingham Municipal Housing Trust. The council will use its assets appropriately in support of major regeneration projects, for example HS2, Paradise Circus and Icknield Port Loop.

## **8 Supporting Community Involvement**

- 8.1 The council has in place a Community Asset Transfer protocol and process, which satisfies the requirements in the Localism Act and deals with all proposals from external community organisations seeking a community transfer of council or other owned property. Associated with the Localism Act there is now a "community right to bid" for property, which whilst it does not compel the Council to sell or sell at lower than market value, it does mean that once registered, properties will be subject to the legislative minimum disposal timetable. The legislation now clarifies how the council can proceed regarding the opportunity to dispose of assets of community value and support Third Sector Organisations through the granting of

leases that take into account the value of the worth that the organisation brings to the city.

- 8.2 The Council's policies for Community Asset Transfers are approved by Cabinet and in the financial policies in Part 5 Chapter 6 of this Business Plan.

## **9 Green Issues**

- 9.1 The council is developing its carbon strategies and energy management strategies. In the development of its Corporate Administrative Buildings estate (CAB) the council targeted an "excellent" BREEAM standard for new buildings (achieved at 10, Woodcock Street Offices), and "very good" for the major refurbished estate (achieved at both Lifford House and 1 Lancaster Circus). Further standards for the corporate estate are anticipated to be developed with the emerging energy conservation and carbon reduction plans.
- 9.2 Energy conservation is having and will continue to have an impact on services and property going forward. The council has drafted its Carbon Management Plan and is signed up to its carbon reduction commitment.
- 9.3 Energy bills have risen substantially over the past few years driven by external world factors, and further volatility is expected. The risk in the long term is for further rises in energy costs.
- 9.4 This places a greater emphasis on needing to put in place appropriate measures to contain such budgetary pressures. Such measures can include Combined Heat and Power (CHP) plants, photo-voltaic panels, voltage optimisation, automatic half hour meter readings, biomass boilers, automated lighting, occupier behavioural change, disinvestment from inefficient property and energy performance measurement and comparison. The City Council's procurement practice seeks to develop an integrated approach to energy management, energy supply, energy consumption, contract compliance and property data. Where such measures will not be cost effective the service will be encouraged to disinvest and dispose of properties.

## **10 Health and Safety**

- 10.1 The council has responsibility for the health and safety requirements in its estate, including fire risk, asbestos management, legionella, and statutory testing and maintenance compliance. The council has required that every property will have a nominated duty-holder to fulfil the function of managing that health and safety responsibility. This requirement has necessitated the alignment of property data with the duty-holders and to coordinate this information with Corporate Health and Safety to ensure that appropriate duty-holder training is provided to meet the council's health and safety requirements.

- 10.2 The corporate database system identifies the duty-holders, and their training is undertaken via an electronic training package through People Solutions. The same database is being populated with data to ensure audit compliance across the various issues of asbestos, legionella, fire risk assessments, safety management etc. Further work has been undertaken to ensure that each City Council property has a programme of statutory testing/maintenance that is appropriate for the building's purpose / components.

## **11 Equalities Issues**

- 11.1 Equality issues around property mainly focus on access to services. The responsibility rests with the service to ensure that it has considered such equality issues and sought to put in place reasonable adjustments to ensure that they do not discriminate in the delivery of their services. A corporate fund (The Corporate Access Budget) exists to support services in funding their costs under the Equalities Act 2010. In the event of a property being withdrawn from service delivery, it is the service's responsibility to ensure the future service provision has addressed equalities issues.

## **12 Asset Management Plan**

- 12.1 The City Council maintains an Asset Management Plan (AMP) which is currently under review for the 2015-18 period and which describes in more detail the current position for the management of property assets, examines influences for change across the council whether driven by government or the council, and makes recommendations for action. Beneath this sits a number of Service Asset Management Plans that feed into the Corporate Asset Management Plan but reflect the assets, their futures and investment requirements in more detail at a local level.

## **13 Facilities Management**

- 13.1 The Corporate Landlord model has been adopted for the transformed Corporate Administrative Buildings (CAB) portfolio. This provides a centrally focused team to manage the CAB estate.
- 13.2 Following the establishment of Acivico (a City Council wholly-owned company) associated changes are progressing the standardisation of facilities management services for the corporate estate. The corporate estate (i.e. excluding, housing, education and highways) now manages its facilities management through a centralised computer system (CAFM) using proprietary off the shelf software, coordinated with Acivico, to enable both tactical and strategic facilities management oversight, including costs, service and performance. This move is expected to deliver improvements in the quality of information within the property information systems together with rigorous standards and performance KPIs being set to ensure corporate compliance with health and safety issues.



## **PART EIGHT - INFORMATION, COMMUNICATION TECHNOLOGY AND DIGITAL SERVICES**

### **Overview**

Information, Communication and Digital technologies (ICT&D) are key enablers and innovators to provide the Council with an effective, efficient and reliable set of services that supports the achievements of the business plan.

Change in ICT&D technologies are rapid and growth in the uptake of the latest, emerging technologies such as mobile devices, social media, and high-speed broadband together with the use of Open Data present huge opportunities for the Council, our communities, citizens and suppliers.

To keep up with advances in technology and to meet the increasing expectation of citizens it is important that the Council has a clear approach to the improvement and delivery of ICT&D.

The Council will take a planned approach to managing its existing 'As-Is' ICT&D landscape and is capturing its future 'To-Be' requirements, based on our future service needs. This will be governed by the creation and alignment of the Future Council Operating Model and ICT&D Strategy; this will ensure any spending on ICT&D is driven by the Council's approved business objectives.

### **ICT&D Strategy Development**

The development of the ICT&D Strategy and the supporting analysis will provide stakeholders across the council with greater transparency over the provision and delivery of ICT&D. In seeking to define how best to develop a new approach to ICT&D it has been identified that the focus should not just be on technology, but on business and citizen requirements.

As part of the development process a Strategy team will be drawn from the Council and its business partners. We will introduce a governance arrangements and a framework to ensure the alignment of the Future Council Operating Model, the ICT&D Strategy and directorate strategic priorities. The ICT&D Strategy will be approved in c. September 2016, and then annually at cabinet on a rolling three year basis.

In addition to Citizen's needs our ICT&D approach is being developed to align, support and enable the realisation of Central Government and Council specific drivers.

### **Central Government Drivers**

The main political and economic drivers are:

- The desire to reduce costs and improve efficiency by taking full advantage of the opportunities offered by advances in technology.

- The Government's 'transparency agenda' - a recognition that politicians and public bodies need to rethink how they communicate with and engage citizens, communities and businesses.
- A desire to continue to modernise the UK economy, making it more competitive, making greater use of new technologies and developing improved digital skills in a higher proportion of the population.
- Recognition that 'government bodies' in general need to improve the implementation of 'technology' related projects.

### **Council Specific Drivers**

- The Council's commitments to its communities and citizens.
- ICT&D being a key enabler in delivering the Council's strategic objectives (Future Council Operating Model).
- The requirements of an approved ICT&D Investment and Improvement Plan (relating to the investment budget).
- Council Digital Agenda, to include the integration of 'Digital Birmingham' initiatives.
- External Investment - leveraging the desire of local and national companies to invest in the City.

The key objectives of the ICT&D strategy include:

- To make informed decisions on the procurement of new systems and services taking into account how ICT&D will benefit citizens, reduce the administrative burden for front line staff and provide more effective management and staff self-service.
- To have an agile and pragmatic governance process that ensures consistency, coherence and Value For Money, whilst ensuring accessibility and longevity.
- To have increased transparency of spend and performance information.
- To develop and plan resources and skills for the retendering of the ICT&D contract (dependant on the selection of the Alternative Service Delivery Vehicles (ASDV's)).
- To provide a rolling three year investment plan for ICT&D infrastructure and corporate and directorate applications which are included within the Council's Long-term Financial Plan.
- To maintain a set of applications which provide flexible, reusable, integrated application services.
- To provide system integration and information exchange with new ASDV's.
- To have a consistent, comprehensive and secure approach to creating, storing and using knowledge and information.

- To have an innovative approach to ICT&D services, including exploitation of mobile technologies as a delivery channel and as an enabler for internal agility and flexibility.

## **A 'Digital Agenda'**

There is still much to do to ensure that the take up of Digital Services is widespread and the potential benefits are delivered. The greater uses of digital technology and information are enormously beneficial to the Council, communities and citizens and have the potential to:

- Reduce costs and deliver better 'Value For Money'.
- Increase efficiencies.
- Deliver better outcomes.
- Stimulate and enable innovation and new ways of working.
- Re-shape the relationship between the Council, communities and citizens.
- Utilise 'Social Media' to improve communications and partnership working.
- Access and exploit a wealth of available 'Open Data'.

In order to leverage these benefits the ICT&D Strategy will describe our 'Digital Agenda' which will detail how the Council will maximise the opportunities of Digital Services, reflecting the needs of Citizens, allowing for choice and balancing efficiency with service quality.

## **ICT&D Governance**

All ICT&D spending will be subject to increased scrutiny to ensure they are aligned to the overall Business Plan and the ICT&D Strategy. This will improve economies of scale and show clear financial and/or service benefits. The established ICT&D Programme Board will govern the ICT&D Strategy, associated initiatives, innovations and savings.

All directorates will be supported to develop individual ICT&D Strategies focusing on ensuring that service needs are met and future Business Plan objectives are delivered through directorate ICT&D Strategy Groups, which will provide greater planning and oversight. The directorate strategies will inform and be informed by the ICT&D Strategy.

Directorate ICT&D Operational groups will drive increased ICT&D performance and compliance to processes. Greater ownership and visibility of the ICT&D landscape and applications will be supported and developed. The Council's dispersed ICT&D initiatives and resources will begin to work collaboratively to deliver against our approved ICT&D strategy.

## **Information and Intelligence**

Information is an asset, like people, buildings, money or infrastructure, which has an intrinsic value that must be exploited. We will start to design our future ICT&D architecture to be the enabler of our information assets. The ICT&D Strategy will define how the future 'Intelligent' use of information will meet the needs of the Future Council, both operationally and strategically.

As part of the Future Council Programme we will deliver an information management strategy (aligned to corresponding strategies and created utilising the governance framework) that recognises a one council- single version of the truth for identity and address. The Information Management Strategy we will describe how 'Open Data' will be used to support our digital and creative businesses and how in the future we will work with community based social media to open up decision making and policy debate.

## **Data Transparency**

The initiatives of 'Open Data', Intelligence and data transparency and in line with Central Government policy, more public data is being made available online, which includes publishing information about service costs, contracts and plans.

We will continue to enable citizens to understand the reasons for decisions we take, by making the evidence that supports them more readily available. As well as improving trust in public services, over time this should also reduce the administrative burden of dealing with specific information requests and allow us to become more transparent.

Citizen transactions are increasingly designed to be undertaken online. Wherever possible we strive to be fully automated, and with simple, intuitive interfaces from the perspective of the citizen to include placing an order or making a purchase, making a payment, registering a complaint, and reporting a problem.

## **ICT&D Investment and Improvement Plan**

The design of our future ICT&D architecture will be an integral part of the Future Council Programme and will be critical in enabling an agile Council that is truly flexible by delivering efficient, real-time services for Citizens. Investing in and exploiting the latest technology will transform how our Council works, by giving our staff, consistent access to Information and Systems anywhere. As part of a wider agile working strategy the use of 'Bring Your Own Device' (BYOD) will be further investigated, balancing emerging technologies and Total Costs of Ownership (TCO) with security and compliance requirements.

The future 'To-Be' ICT&D delivery will be funded and delivered as part of an ICT&D Investment and Improvement Plan, and governed by the Council's Investment budget. This is set out in Appendix 9+: Major Service Asset & Capital Strategies.

## Partnerships and Suppliers

The Council's partnership with Capita ends in 2021. The remaining years of the contract will take into account the council's need to find savings and the outcomes of the Scrutiny Review, looking at partnership working and the council's ICT&D investment Strategy.

As the Council transforms into a more agile and leaner organisation, the services we deliver to our citizens need to be enabled and delivered by the latest technologies. Any alternative service model would need to deliver a 'fit for purpose' ICT&D provision, enabled by the Council's Intelligent Client Function (ICF), driven by the ICT&D Strategy and aligned to Future Council Operating Model. The Future Operating Model of the ICF will be redesigned and we will start to increase our capabilities iteratively to meet our current and future contract and supplier requirements.

In evaluating different Alternative Service models the Council will consider;

- Industry exemplars.
- Lessons learnt from the current Strategic Partnership.
- The need to have flexible contracts that are capable of changing to deliver the council's objectives (without penalty) and include regular Value For Money market testing.
- How best we can engage with local ICT&D suppliers to benefit from their knowledge and expertise.
- The need to retain and augment internal expertise; to manage, govern and monitor the contract whether internally or externally provided.

## **PART NINE - COMMISSIONING, PROCUREMENT AND CONTRACT MANAGEMENT**

Our starting point is the individual, families and communities and how we achieve a shared vision for Birmingham, those who live, work and visit here. In line with the council's approach to planning for the future by understanding and managing demand, the aim is to maximise independence and foster resilience, responsibility and participation, thus reducing demand for services where possible, with the council not necessarily being the direct provider of services.

Commissioning means delivering the right outcomes for citizens. It challenges us to consider more widely how outcomes can be achieved with less resource, by delivering services in a different way.

To maintain delivery of effective front line services and recognising the financial challenges, we're increasing the focus on defining the commissioning outcomes and on reviewing appropriate service delivery options.

The key objectives to support this approach are:

- Ensuring all future change initiatives are delivered with Corporate Commissioning Board & Commissioning & Contract Management Centres of Excellence
- Supporting new ways of delivering services through a commissioning approach that ensures support functions enable new delivery models to emerge, and that options appraisals consider the impact on the residual Council.
- Recognising the need to commission services that enable citizens to maximise their independence and thus reduce the demand on Council-provided services

### **Governance, Systems, Processes & Compliance**

Governance exists to ensure value is delivered in a manner that is compliant to Standing Orders and legislative requirements and is open, transparent and as efficient as possible. The drive for greater efficiency and effectiveness in the procurement processes will continue through:

- Delivering Council wide training on Commissioning, Procurement, Contract Management, Compliance, Social Value and commercialism including launching the updated procedure for evaluating tenders and procurement Governance Arrangements.
- Ensuring policies & procedures don't disadvantage 3rd sector & SMEs
- Promoting the enablement agenda through contracted arrangements that support the use of Direct Payments and Personal Budgets (e.g. new homecare frameworks and home-to-school transport);
- Developing procurement talent to drive further innovation, benefits and organisational resilience.

## **Effective Contract Management**

Enables parties to a contract to meet their obligations and achieve the objectives set out in the contract, maximising operational and financial performance and minimising risk. The Council aims to derive benefit and continuous improvement through contract management by:

- Improving relationships and partner working with the Council's supply chain through common understanding and shared objectives and development and implementation of Supplier Relationship Management for key contractual relationships
- Embedding contract management best practice in Directorates
- Improving the monitoring of contractors' performance and effectiveness through delivery of contract management assurance reviews

## **Delivering Social Value**

The Birmingham Business Charter for Social Responsibility (BBC4SR) was approved by Cabinet on 22 April 2013. Cabinet also approved the Living Wage Policy and Social Value Policy which set out how the City Council would meet the requirements of the Public Services (Social Value) Act 2012.

These 3 policies are now being reviewed in order that they enable social value outcomes to be achieved locally.

The key objectives are:

- Finalising the review of the Social Value Policy, Living Wage Policy and Birmingham Business Charter for Social Responsibility to reflect experience and learning gained from others and the implementation to date
- Increasing the number of employees servicing Council contracts that have been uplifted to the Birmingham Living Wage and the proportion of council spend covered by the BBC4SR

Co-ordination of the above will be through the Corporate Commissioning Board to agree the approach, monitor implementation & receive performance feedback.

Directorates will be supported through the Commissioning and Contract Management Centres of Excellence to ensure continued awareness and understanding of the developing policies, systems and procedures.

## **PART TEN - CORPORATE PERFORMANCE MANAGEMENT FRAMEWORK**

Birmingham's Performance Management Framework drives the achievement of our key outcomes for Birmingham people. It outlines:

- What the Council intends to achieve (alone, and, with partners and other stakeholders),
- How we'll measure progress in achieving these, and,
- The performance management arrangements to make sure we deliver what we said we would do.

During the coming year we will be reviewing the performance management framework to align it with our new operating model for the Future Council (and particularly our Internal Support Services) and the WMCA, and, to make it a more streamlined and simplified planning framework.

The current strategic performance framework consists of several elements:

1. City Measures: measuring the achievement of the key strategic medium and longer-term measures of the outcomes we will deliver/help deliver in partnership with our strategic partners. These measures will be monitored by the appropriate strategic partnership boards, as results become available.
2. Council Business Plan Measures: measuring achievement of the key service outcomes the council has set itself to deliver over the next year – measuring this year's progress in the delivery of our Future Council vision. Results are reported quarterly to Cabinet meetings on an exception basis (i.e. where performance is missing the set target), but, are monitored monthly internally by the Deputy Leader and senior management.
3. The Future Council Evaluation Framework: setting out timelines and how we'll measure this year's progress in the delivery our Demand Theme objectives. Updates are reported to the Birmingham Independent Improvement Panel quarterly and annually to Cabinet.
4. The Birmingham Promise – measuring achievement of agreed minimum service standards for our citizens where they have also done things in the right way to enable us to deliver our promises. How successful we are in upholding these promises will be reported annually to Corporate Resources Overview and Scrutiny Committee.
5. Organisational Performance – measuring how well the council itself is functioning internally (e.g. against workforce, customer service, financial and service operations measures and metrics). The result for these measures is reported monthly to the Deputy Leader and senior managers, in a balanced "scorecard" type report covering



performance in the areas of customer service, service delivery, finance and, workforce management.

6. Financial Management Arrangements - the City Council has well-established arrangements for the management and monitoring of its budgets. This includes a monthly review of the projected revenue budget position, including the identification of mitigating actions where necessary. This is linked to the monitoring of delivery of each element in the savings programme and, following consideration at the Star Chamber convened by the Deputy Leader, leads to a monitoring report to the Cabinet six times per year.

This process will be further improved in the coming year through the introduction of enhanced functionality in the Council's financial management system (Voyager) which will facilitate improved management reporting and a greater level of manager self-service.

The capital programme and treasury management actions are also monitored on a regular basis, with quarterly reporting to the Cabinet.

7. There will be a clear focus on the management actions needed for the delivery of the savings programme, and monitoring of progress will commence before the start of the coming financial year. This will be supported on a multi-disciplinary basis to ensure that all relevant perspectives can be brought to bear, and the necessary actions identified to maximise the capacity for delivery.

Progress will be reported on a regular basis to the Corporate Leadership Team, which will strengthen its monitoring of the corporate position.

Our processes and standards for deciding performance measures aim to ensure that they:

- Are robust and quality assured;
- Have received Cabinet Member approval;
- Have challenging, but realistic, targets as per corporate guidance;
- Are available on the Strategic Performance Management System, and,
- Are available for regular monitoring (e.g. monthly or as frequently as is practicably possible).

## APPENDIX 1: EQUALITIES IMPACT ANALYSIS OF SAVINGS PROPOSALS

Ref	Proposal	Description	Further detail
Theme - Preventing Family Breakdown			
PFB1	Resilient families	By improving our early help and social work service we propose to support more children to live safely and thrive at home. We propose doing this by providing support to our staff to work creatively with disadvantaged families to bring about positive change. Where children do have to come into care, we will provide more local foster placements and we will speed up the process of children in care finding permanent families.	We will work with families openly and collaboratively, but where children need to be protected from significant harm, we will always intervene to make sure that they are protected.
PFB2	Improved processes and productivity	By supporting staff better through supervision, staff development, manageable caseloads and a learning culture we propose to reduce reliance on agency staff and manage a staff vacancy factor (turnover rate) of 4% for specific groups of staff.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
P22	Step up of previous Early Years savings	On 30th November 2015 a consultation including plans for a new model for delivering a more joined up Early Years offer to support parents and young children was launched. The new services are planned to be in place by 1st September 2017. The savings shown here are the increases in savings which have been built into previous consultations. These savings will be achieved through a review of services pending the wider review.	Once we have got your views on the principles of how the changes set out in the Early Years Health and Wellbeing Consultation should work we may then develop more detailed proposals for services. We will hold a second period of consultation once we have these proposals to check we have heard you correctly and have the detail right. In addition to

Ref	Proposal	Description	Further detail
			the formal consultations there will be opportunities for people to become more involved in working with us to develop the proposals.
Maximising the Independence of Adults			
MIA2	Design and Implement a new approach to Special Educational Needs and Disabilities and move away from a high dependency model	The Council is proposing a long-term, wide ranging development of the services to children with special educational needs. This would involve working with the children, families, and partner organisations to design and implement the optimum approach to these services shaped by the use of shared data and intelligence, learning and best practice. This may include commissioning of new services, changes to the way services are delivered, and potentially de-commissioning of services. The intention would be to give children with special educational needs services which help them to prepare for adulthood so that they will have the best possible level of independence into later life	Working closely with partners including social care and housing, NHS colleagues, relevant community groups, charities, schools, Department for Work and Pensions, skills organisations and businesses. Engagement and consultation with families and children with special education needs
MIA3	Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy	We propose to work with families and young people to develop travel solutions that enable the child or young person to access education in the same way that members of their peer group who do not have special educational need or disability would access their education. This includes travelling independently for young people and family based travel solutions for younger children. We want to actively encourage children and young people's	Working to understand the motivations and attitudes of families, showing them where a difference is being made and supporting them through change. Collaborating closely with all our key partners, such as schools, to present a consistent, structured message and keep

Ref	Proposal	Description	Further detail
		independence which can result in them developing a skill for life and will help to develop their confidence and social skills as well as increase their future options for continuing education/training and employment.	them up to date about our developments.
MIA5	Internal Care Services – Younger Adults Day Care	Birmingham City Council intends to reorganise its internally provided services so that people may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	Offering people a reassessment of their needs and working with them to plan their future support Securing specialist support planning services to help people to develop their own support plans Extensive consultation with staff, service users and other stakeholders
MIA6	Homelessness : licensing and enforcement in the private rented sector	We propose to make more information and advice available online for tenants and landlords. Access to direct phone support will therefore be restricted to high priority cases in an attempt to reduce the demand for telephone and face to face support. This will help us to refer tenants seeking help to appropriate agencies or to use online material to request landlords to carry out repairs, and enable us to focus on high priority cases.	The Council will still provide email and phone service but this will be for high priority cases and not for initial advice and information. The Council will ensure that information is available in key service centres such as libraries and Customer Service Centres to help tenants and landlords understand their

Ref	Proposal	Description	Further detail
			rights and responsibilities. The Council will work with local partners such as Homestamp, to ensure there is a range of advice points available to tenants and landlords, such as the recently launched Check Before You Rent mobile application (app) from Homestamp. The Council will refresh its webpages for the Private Rented Sector and provide more material for tenants to use to take initial action on their own behalf.
MIA7	Health & Prevention	This proposal is about reducing the need and therefore the demand for long term care services. The Council will encourage the development of a number of health and prevention schemes which aim to support people to live independently for as long as possible and help reduce the long term reliance upon support from Council services.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA8	Older Adults Offer	In line with the Care Act and new ways of thinking we need to consider our policy 'A Fair Deal in Times of Austerity' and its implications over the forthcoming years – for example we need to be explicit about what this means for citizens and their responsibilities.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA10	Redesign and	Last year, the Government	As the proposal

Ref	Proposal	Description	Further detail
	integrate services at scale across the health and social care economy	launched the Better Care Fund and the City Council and the 3 Clinical Commissioning Groups agreed a plan to improve health and social care for older people in the City. The Better Care Fund proposals last year included savings through the efficiency of joint working in 2015/16 and 2016/17. The first part of this proposal takes into account that further savings are likely to be made in 2017/18 and future years if these arrangements continue. The City Council needs to meet its statutory responsibilities in relation to adult social care as embodied in the Care Act 2014, but with a much reduced budget. The second stage of this proposal is essentially about trying to achieve this by jointly pooling/combining the entire Council spend on older adults, not just on adult social care, with all relevant NHS spend.	develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA12	Improving the Customer Journey	Support social work staff in Assessment and Support Planning to be as efficient as possible in making sure every citizen has their adult social care needs met in the best way.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA14	Introduce charges for Telecare and reducing spend on joint equipment contracts	Equipment may only be provided based on assessed need. This proposal may also mean the removal of the free telecare service to the majority of citizens.	More detailed consultation and engagement will take place before any changes are carried out, to get feedback from citizens including current users of the service. Work will be

Ref	Proposal	Description	Further detail
			undertaken with the market of suppliers to increase the range of options available. This will ensure that any potential gaps in service that may be created are addressed before any permanent changes are made. Care will be taken to address affordability issues and ensure that support remains in place to enable us to meet our statutory duties and help the most vulnerable
MIA16	Internal Care Review – Occupational Therapy	The Council is proposing to bring together both the Adult's and Children's Occupational Therapy teams into one service.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA17	Internal Care Review - Home Care Enablement	Exploring opportunities to work closer with our NHS partners in the development of future enablement services and to explore opportunities to deliver 'enablement' in different ways through different providers.	Ensuring future providers have the skills and abilities to deliver better outcomes for people. Ensuring that the way in which enablement services are provided deliver better outcomes for people. Continuously monitor providers to provide assurance of quality.
MIA18	Internal Care Review - Care Centres	The Council feels that it cannot provide residential care for older adults in the Care Centres in a	Offering people a reassessment of their needs and working

Ref	Proposal	Description	Further detail
		way which represents value for money when compared to providers of similar services within the care market. In order to ensure that it achieves better use of the public purse it must now explore alternative options for their future operation.	with them to plan their future support. Commissioning alternative services from other care and support providers to meet people's identified needs and outcomes.
MIA20	Internal Care Review - Older Adult Day Care	Birmingham City Council intends to reorganise its internally provided services so that people may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	Offering people a reassessment of their needs and working with them to plan their future support. Securing specialist support planning services to help people to develop their own support plans.
MIA21	Internal Care Review – Learning Disability Short Breaks	Birmingham City Council intends to reorganise its internally provided services so that adults may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the	Offering people a reassessment of their needs and working with them to plan their future support. Securing specialist support planning services to help people to develop their own support plans.



Ref	Proposal	Description	Further detail
		short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	
MIA30	Homelessness	We are proposing to make further changes to the service to improve the Council's services for homeless households in Birmingham. This will include two changes: a review of existing staffing structures, including a small reduction in the number of posts; an increase in the income secured through the letting of Temporary accommodation; and closer joint working with other Council services, particularly Landlord Services.	Continuing to ensure we only provide temporary accommodation that is affordable for a homeless household by maximising housing benefit income.
P10	Reduction in Adults Running Costs	For a number of years the Council has been seeking to ensure that the administration and management of all services is as efficient as possible. This means continually reviewing spend on supplies and services, transport and premises costs and indirect employee costs.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
P17	Step-up of savings re: Third Sector Commissioning and Supporting People	We propose to re-commission services provided through the third sector, reduce funding for housing support services to people with physical or sensory disabilities by 50%, and commission a redesigned Supporting People 'Disability housing support service'.	Previous experience of the contract mobilisation period demonstrates that this can be a complex process and may be unsettling for service users; learning from previous experience will be called on to minimise disruption and to ensure contracts are mobilised on time.

Ref	Proposal	Description	Further detail
MIA31	Public Health	The Government has announced significant reductions in the underlying level of the Public Health grant. We estimate that the impact of these changes will be a reduction of £7.7m in 2016/17 rising to £10.1m in 2017/18 with the prospect of further reductions as a result of changes to the formula which is used to allocate grant to local authorities. This will severely limit the number of areas of health prevention activity which can be funded by the Council. Detailed proposals will depend on further Government announcements which are expected over the next month. However, we anticipate that it will be necessary to reduce expenditure particularly in Lifestyle services such as weight management, smoking cessation, and promotion of healthy living, including the Wellbeing Service. We may also have to cease funding a range of services provided largely by the voluntary sector to support the 'Early Help Offer' to families.	Working closely with partners including NHS and social care colleagues, relevant community groups and charities, provider organisations and businesses.
Sustainable Neighbourhoods - Clean and Green			
SN1	Sharing of highways maintenance database with statutory undertakers	We are introducing a permit system for organisations wanting to carry out street works, to improve the quality of information we have about current and planned work. This will improve the information available to us which will help us to plan works and manage potential traffic disruption. We will charge organisations in order to recover the cost of managing the permits, and this includes the cost of any staff which are required as a	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.

Ref	Proposal	Description	Further detail
		result of implementing and running the scheme.	
SN2	The City Council will design and develop a modern transport network for the city in order to help develop attractive shopping areas, promote greener forms of transport and improve the environment.	We propose to reduce the reliance on car trips and improve air quality. These will be underpinned by a 'nudge' communications campaign to change travel behaviour and switch trips to other modes of transport.	The impact will be reduced by the "nudge" programme which will promote and communicate transport options to enable individuals and businesses to have choice on road users and businesses would be consulted on the proposals, including the scope of the proposed zones, the vehicles to be covered by a charge and where appropriate the hours they would be in effect.
SN6	Reduce Reuse Recycle - Reconfiguration of waste collection services including review management arrangements for waste collection service once current waste disposal contract expires in 2019	We will review our options ready for contract end in 2019, including considering potential market testing as part of the new contract after 2019 for the Street Cleaning and Waste/Refuse Collection services. We will also make some savings related to the mortgage on the incinerator. We will also reduce the amount of waste being disposed of.	We will ensure that the residents are properly informed of and consulted with on any proposed changes before implementation of the proposals.
SN7	Reduce Reuse Recycle –	We are proposing two changes to ensure that we collect the bins	As the proposal develops the Council

Ref	Proposal	Description	Further detail
	Reduce failures/failed waste collections	that are put out and that our waste and recycling collections are planned in the most efficient way: 1. The introduction of new technology will allow us to better track and monitor how our bins are collected and to ensure that the routes around the city that our crews take are being planned and monitored efficiently. This will enable us to maximise the productivity of crews and vehicles with appropriate round sizing taking into account terrain, property type, presentation points and assisted collections. 2. The use of technology and data systems to verify that collections have been correctly completed and that any claims of missed collections are justified.	will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN11	Reduce Reuse Recycle – Garden waste - opportunity to improve productivity and increase revenue	We propose to improve the efficiency of the service by improving green waste collection rounds and increasing the number of households that purchase the service. There are no proposals to increase the price of the service in 2016/17, however a price increase of £5 to £40 is proposed for 2017/18.	We will work with residents to minimise disruption and changes to the collection cycle. This will include a communications and marketing campaign, particularly around day changes.
SN15	Reduce Reuse Recycle - Align Clinical Waste collections with NHS policy	We propose that either the NHS takes responsibility for collection of hazardous clinical waste, or that it pays us to collect it. Both proposals will be discussed with the NHS.	We will consult with service users and the NHS about the proposal before any changes are implemented.
SN16	Reduce Reuse Recycle – Discourage traders from illegal use of the council's household recycling centres	To reduce the amount of illegal trade waste at household recycling centres and the costs of this, we propose to provide separate commercial waste facilities for businesses to pay to bring in trade waste. These will be provided at existing HRC sites. Enforcement of these	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.

Ref	Proposal	Description	Further detail
	(HRCs)	arrangements will be carried out by the Council's contractor.	
SN17	Reduce Reuse Recycle – Reduce imported waste costs	We are proposing to charge non-Birmingham residents for using the Council's household recycling facilities and introduce better identification processes, such as Automatic Number Plate Recognition, to identify non-Birmingham residents and prevent them from using the City Council's household recycling centres without paying. These will reduce costs by reducing the amount of waste that Birmingham City Council has to process and dispose of	As the proposal develops the Council will need to let residents know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN18	Reduce Reuse Recycle - Passing initial cost of bins, waste collection and recycling onto the developers of new estates/ house builders	We are proposing to change Local Planning Policy to require that where a new estate /road is being built, the Developer has to provide individual or possibly street-based communal facilities for the storage of waste and recycling.	As the proposal develops the Council will need to let residents know if there is any more detail or information to provide to them or if it needs to consult with them further. .
SN20	Redesign street cleansing and a combination of enforcement education and community marketing to encourage residents and businesses to keep streets/ footpaths tidy	Currently, the city's streets are cleaned the day after refuse and recycling collections. We are proposing to revise the street cleaning plans according to when it is required.	Proposed Mitigation: The changes will be monitored and reviewed on a regular basis with a view to adjusting where necessary  As the proposal develops the Council will need to let residents and businesses know if there is any more detail or information to provide to them or if it needs to consult

Ref	Proposal	Description	Further detail
			with them further.
SN35	Expansion of City Centre on-street parking, concessions and restrictions	Digbeth is one of the largest areas of the city centre without controlled parking measures. The proposal is to develop and implement a controlled parking zone in this area.	As the proposal develops the Council will need to let service users know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN36	Biodiversity Supplementary Planning Document	We plan to free up some capacity within the Ecologist team to provide ecological services to Council departments that currently commission external consultants to deliver their requirements.	Not applicable.
SN37	Transport joint data team	In retendering the contract in 2018/19 we expect to generate efficiencies which will result in a saving.	Not applicable.
SN51	Vehicle Fleet and Depots Improvement	A rationalisation of the operational facilities and optimising the use of our vehicle fleet (minimising the downtime of vehicles and optimising the routes to reduce fuel and repair costs).	As the proposal develops the Council will need to let residents or businesses know if there is any more detail or information to provide to them or if it needs to consult with them further.
E1	Private development delivery of Highway Change	We work with private developers on new roads and improvements to existing roads required as a result of new developments. We are proposing to improve the final sign off process.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.

Ref	Proposal	Description	Further detail
E2	Reduce the Council's energy bill	We propose the creation of a Corporate Utilities Management function to analyse information about our energy use.	Not Applicable
E19	Establish an Energy Services Company	The council would look to an existing utilities provider to establish a local Community Energy Company providing cheaper, greener energy to people in Birmingham. The greatest cost-cutting would be delivered to those on prepayment meters. The partner company would operate the company itself and the Council would assist with customer acquisition. The cost of this to the Council would be covered by a negotiable rebate from the chosen partner energy company.	If this proposal were to go ahead we would need to monitor the take up of this service to determine if any protected groups were being excluded from access to it in any way - and to take remedial action.
Sustainable Neighbourhoods - Community Services			
SN24	Provide above ground mausoleums and vaults in cemeteries that are closed for new burials	We propose 4 changes to the service: 1. The installation of above ground Mausoleums; 2. Installation of Vaults; 3. Digitisation of records; 4. Booking system made available online	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN26	Discontinue Non Framework Contract at Health and Wellbeing Centres	The council intends to withdraw from or no longer fund the following sites in April 2016: • Colmers Community Leisure Centre; • Bartley Green Community Leisure Centre; • Great Barr Community Leisure Centre; • Hamstead Pavilion. In addition, we propose that: • When the new Sparkhill Pool opens in 17/18, Moseley Pool and Court Road Fitness Centre will close: • When the new Northfield pool	Colmers, Bartley green and Great Barr Community leisure Centre are all on school sites, and therefore to reduce the impact, we will be discussing with the schools if they could continue to open these sites to the community outside school times.

Ref	Proposal	Description	Further detail
		opens in 18/19, Tiverton Road Pool will close, and • When Icknield Port Loop Pool opens in 19/ 20, Aston Newtown Pool will close.	Alternatively, we could look at reducing expenditure at these sites so the service can run without funding from the council, e.g. moving to a club-based approach and looking at reducing opening times during traditional times of low usage. These alternatives will reduce the impact.
SN28	Reduction in costs (Parks)	We are proposing to restructure the management of the Parks Service and the associated trading activities, and continue to manage and maintain the Council's green estate.	<p>We will discuss the proposal with relevant partners and stakeholders, including friends of groups/Birmingham open spaces forum.</p> <p>As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.</p>
SN31	Offer the Trekking Centre to the market as a franchise opportunity	We are proposing to offer the Trekking Centre to the market as a franchise opportunity.	We will work with the successful provider and with Riding for the Disabled Association to ensure that no protected groups are adversely affected. We will write into the contract prices for the services must be agreed with



Ref	Proposal	Description	Further detail
			the council.  In negotiating the new contract the interests of any protected groups will be taken into consideration.
SN32	Income Generation from Cofton Nursery	The Cofton Nursery re-development is scheduled to start early in 2016/17 and the site will be closed for operations during a significant part of the year. During this time savings will be achieved through reduced costs and redirecting resources into other activities. When the re-developed nursery becomes operational savings will be achieved through additional income and a more efficient operation.	Not applicable
MIA13	To integrate independent living services with enablement services to enable the co-ordination and provision of major adaptations with other care and support assessments	To move the Independent Living Service (currently in Place Directorate) into Enablement Services (People Directorate). This will improve the coordination of assessment and provision of major adaptations (to residents' homes) and provide alternative care and support services.	Not applicable
SN38	Cease all investigations into dog cruelty matters	The proposal is that the Council will no longer investigate or accept complaints relating to the ill treatment of dogs from the 1st April 2016. It is not our legal duty to provide this service. In most other areas of the country, this is done by dog charities, in particular the RSPCA. We will refer people who have a	Not applicable

Ref	Proposal	Description	Further detail
		complaint to animal welfare charities.	
SN40	Evaluate options for extending the range of the Council's rented property offer	The proposal is to extend the current role of the internal housing company, to build or acquire further new homes. It will look at the different options for how the Council increases its range of rented properties.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
MIA22	Transfer out of hours calls from the Contact Centre to housing repairs contractors/third party service providers	We propose that all calls between 8 am and 8 pm Monday to Friday would be handled within the Birmingham City Council Contact Centre but between 8 pm and 8 am and all weekends and bank holidays, calls would be transferred to contractors.	Citizens would be directed to the website for further information and the online forms in order to make a service request for non-emergency issues. Citizens will be given notice of the proposed changes via contact centre advisors, the website, automated messaging, emails and social media so customers used to calling between 8am and 9am and 5pm and 8pm can change their calling habits.
MIA23	Change opening hours of contact centre to 9-5 and press for increased use of web	We propose to stop taking non-emergency phone calls outside of 9am-5pm and direct customers to online self-service forms and website information	Citizens would be directed to the website for further information and the online forms in order to make a service request for non-emergency issue. Citizens will be given notice of the proposed changes via contact centre

Ref	Proposal	Description	Further detail
			advisors, the website, automated messaging, emails and social media so that customers used to calling between 8am and 9am and 5pm and 8pm can change their calling habits.
SN42	Increase income generation from golf contract	Increased income will be generated from the golf contract.	Not applicable
SN43	Community leisure centres	We propose to renegotiate the contract to generate savings.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN44	Reduction in costs (Sport)	We have identified additional savings following outsourcing.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN45	Disposal of unwanted/ under-utilised parks land (8 acres per year)	It is proposed that the Parks Service disposes of unwanted or underused land. It is proposed that 8 acres per annum, for the next four years, will be transferred to our Housing service for them to build more	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide

Ref	Proposal	Description	Further detail
		new homes.	to them or if it needs to consult with them further.
SN50	Community Safety	It is proposed to secure funding from the community safety fund to partially fund the public realm CCTV and the safer places team that works locally with partners to deliver the community safety programme.	We will work closely with our partners on the Local Crime Panel to agree the key priorities for 2016/17 and to protect as far as possible the key programmes that support and improve local community safety.
PL31	Emergency Planning and CCTV	We are proposing to reduce the number of staff that monitor CCTV.	We propose to invest in new equipment which will allow the staff providing the control room function to also monitor CCTV so that it will be easier for a reduced number of staff to deliver the service.
CC30	Affordable Homes element of New Homes Bonus grant	A reduction in the support that is provided for the development of new affordable and social housing schemes (the empty property team will be protected and will be unaffected).	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
Sustainable Neighbourhoods - Learning and Asset Use			
SN4	Extend parking charges at parks	We propose extending the current car parking scheme at Sutton Park; charging all year	A survey will be undertaken in the surrounding roads to

Ref	Proposal	Description	Further detail
		round instead of only during the summer months. We also plan to introduce charges at other sites including Cannon Hill Park, Lickey Hills Country Park, Rectory Park, Victoria Common, Perry Park and Edgbaston Reservoir. This will generate income for the council. The parking schemes will be managed by an external contractor.	assess the impact of drivers parking there rather than in the park to avoid the charge. Designated parking bays will be allocated to disabled users and highways services protocol (2 hours free parking) will be followed in relation to charges for Blue Badge Holders.
SN9	Introduce a GIS mapping system to enable more efficient reporting of street scene issues	We propose to introduce a GIS mapping system to combine our data with geographic information and make it quicker and easier to report and identify faults and issues.	Not applicable
SN12	Young Active Travel	We will maintain the current level of the school crossing patrol service, but will evaluate a range of options, including setting up a Trust, to reduce the costs to the Council. We will seek opportunities for identifying external sources of funding. Councillors, schools, parents and communities will work together to develop their active School Travel Plans, including the development of other safety measures and travel plans.	The council will explore opportunities for maintain services at a reduced cost to the council including through the development of a trust and or identifying external sources of funding. We will continue to integrate safety around schools in Transport Policies and the developing Road safety Strategy, continue to develop strategies that encourage sustainable, alternative means of travel such as walking and cycling, encourage more

Ref	Proposal	Description	Further detail
			schools to work with parents to set up walking buses, continue to install alternative road safety measures where capital funding allows and criteria for investment can be met, encourage schools to offer road safety education, with support from specialist road safety organisations such as BRAKE and RoSPA.
SN13	Reduce number of play areas.	We are proposing to amend the play policy by increasing the distance to provide a play area to within 800 metres of every dwelling.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN14	Disposal of local Council Car Parks or cover their costs through charges	We propose 3 changes: (1) An increase in the current tariff of charges for existing local Pay & Display car parks (2) The introduction of Pay & Display charges at currently free car parks (3) A small number of local car park disposals may be considered where the parking demand is low	We will try and ensure that the council's local car park remain competitively priced compared to city centre, on-street and private commercial operators charges. Disabled motorist displaying a blue badge will still be entitled to park without charge on the council's local car parks.
SN19	Transfer Queslett landfill site to	We are proposing to transfer Queslett landfill site to alternative ownership. This would reduce the	As the proposal develops the Council will need to let

Ref	Proposal	Description	Further detail
	alternative ownership	responsibility of the Council to staff and maintain the site.	impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
SN21	Removal of Universal Superloos	We are proposing to stop providing 'universal Superloos' from 2016/17.	We would need to consult with groups who are more disadvantaged from this proposal, such as those with a disability and parents with young children. Any closures will be carried out in accordance with the appropriate BCC contractual procurement and legal processes.
CC27	Open for Learning, which includes a major programme to redesign and rationalise local assets to deliver service focus not asset focused approach	We propose to bring together our services and those services delivered by our partners to reduce the amount we spend on buildings. This will mean we will probably dispose of some of our council-owned buildings so we can minimise the impact on front-line delivery. We will also explore how far we can reduce the amount of space it takes to deliver the services by working in partnership and by using technology differently. This approach means that libraries, adult education and early years services in the future will need fewer separate buildings.	We will target resources to provide early help and to reach those at risk in order to ensure we support the most vulnerable. We will work with local communities through existing partnerships to ensure the local communities play an integral part in the Open for learning offer. We will also work with the private Sector to consider how best to support our Open learning approach, in particular through their corporate social responsibilities

Ref	Proposal	Description	Further detail
Economic Growth and Jobs			
EGJ1	Improve investment returns from properties owned for investments	We propose to sell our properties that are not generating enough income and buy new investments that will generate more income.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
EGJ2	Charging more costs to capital projects	As we deliver more capital projects some of our costs can be charged to their delivery.	Not Applicable
EGJ6	Creating a more balanced financial strategy for arts and culture shaped and funded by a wider range of partners and stakeholders	We propose to reduce the funding from the council to arts and culture from 2017/18.	If entrance fees are introduced then the pricing policies will include concessionary schemes for people on low incomes, people with disabilities etc.
EGJ7	Create a commercial model for business support	We do not have a legal duty to offer advice to businesses, but it has traditionally formed part of our role and has been offered free of charge. We propose the creation of a small unit to offer paid-for advice and support to businesses and other local authorities, across the range of services delivered by Trading Standards, Licensing and Environmental Health. Support could include training courses or one to one advice.	Not Applicable
EGJ8	Create a West Midlands-wide trading standards service	Our proposal is to approach the six other district councils in the West Midlands with a view to creating a West Midlands-wide trading standards service, with effect from 1st April 2018. A saving has been identified in	By working as a combined service trading standards can target consumer fraud and unfair trading practices



Ref	Proposal	Description	Further detail
		terms of management overheads.	
EGJ9	Broadening the income base for Marketing Birmingham	It is proposed to reduce the cost to the City Council of the contract with Marketing Birmingham through broadening the income base to include contributions from other organisations.	Not Applicable
SN39	To improve income from planning applications and pre application support as the economy improves and lobby the government for more freedoms regarding the setting of planning fees	The service expects to receive more planning applications as the economy improves, this will increase income. The Council is in discussions with Government to allow local authorities to set planning fees to fully cover its costs. If this is agreed, at least a 20% increase in fees may be needed. We think that agreeing a change in the law and implementing it would take 2 years.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
EGJ10	Self-financing of the Employment and Skills Service (ESS)	We propose to reduce activities and consolidate the budget of the ESS and Economic Research & Policy teams and increase income from external funding sources.	Working closely with our strategic and operational partners such as the GBSLEP to plug gaps in locally commissioned or delivered services. Giving priority to accessing funding and human resources that support BCC / GBSLEP priorities. Implementing identified opportunities for joining up and co-locating services Making the transition to the new service over a period of time
E3	More closely aligned functions with partners in the	We propose to align a number of service areas so that the region benefits from a more coordinated delivery of economic services,	As the proposal develops the Council will need to let impacted groups

Ref	Proposal	Description	Further detail
	public and private sectors from across the city region	whilst the individual local authorities are about to reduce the cost of service by a reduction in overheads.	know if there is any more detail or information to provide to them or if it needs to consult with them further.
E21	Birmingham Property Services	Last year we proposed to reduce: <ul style="list-style-type: none"> <li>• the number of staff in the Birmingham Property Services team;</li> <li>• the number of vacant properties in our commercial property portfolio; and</li> <li>• office security costs.</li> </ul> In addition, we proposed to increase rental income from our investment property portfolio. We are planning to bring forward some of these savings from 2017/18 into 2016/17.	BPS will attempt to mitigate the impact by improved work allocation and close management of internal and external resources.
The Changing Workforce			
WOC1	Workforce proposals requiring changes to terms and conditions	We will review the terms & conditions of our employees to reduce the costs of employment whilst ensuring that there remains a core offer that is fair, legally compliant and aligned to our Living Wage City commitment. We propose to consult with staff and Trades Unions around a package of changes that could include: a new deal on holidays, more flexible working, increasing the number of hours in the working week, reducing sick pay and other changes that may impact pay.	We will support our employees to develop and expand their skills & experience, offering where ever practical a more flexible & agile way of working. We will continue to be a Living Wage employer and will encourage other employers in the City to join us
WOC2	Improving efficiencies	We want to make sure that all services have clear plans regarding how they spend money on workforce costs. This is so the Council can better manage spending on the use of resources such as: agency workers, consultants and casual workers. We also want to create more	We will support our employees to develop and expand their skills & experience, offering where ever practical a more flexible & agile way of working. We will continue to be a

Ref	Proposal	Description	Further detail
		opportunities for local people through the expansion of our apprenticeship and intern schemes. Whilst we need to reduce our costs of employment we also need to ensure that we remain competitive and comparable with modern working practices and that we can continue to recruit and retain the best employees, so that we can provide excellent services to our citizens. We will do this by enabling more employees to be able to work agilely, and support them to develop their skills, experience and careers.	Living Wage employer and will encourage other employers in the City to join us
Council Wide			
CC1	Restructure the Corporate Communications team	The LGA will provide independent advice on how Birmingham City Council can structure its Corporate Communications function with a specific focus on creating a modern, efficient and integrated communications service.	Supporting the organisation's key corporate priorities.
CC2	Stop production of the BCC residents' newspaper 'Forward' in printed format and go online	Forward will no longer be produced in printed format but will be published online. This will mean that budget savings will be delivered from reduced design, print and distribution costs. The Corporate Communications team will focus on improving digital communications channels with residents and key stakeholders.	We will improve the council's digital communications with residents and key stakeholders.
CC3	Reduce marketing budget	It is proposed to reduce the corporate marketing budget.	Not Applicable
CC4	Stop colour printing	Stop colour printing	Not Applicable
CC8	Outsource all procurement below £100k	To create an external process to manage buying low value goods and services.	As the proposal develops the Council will need to let

Ref	Proposal	Description	Further detail
			impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
CC13	Targeted net improvement in the housing benefit subsidy	The proposal is to reclaim Housing Benefit Grant overpayments.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them further.
CC14	Redesign Council Tax Support Scheme to simplify process and streamline administration	The Council is proposing to develop a simplified scheme that will continue to provide financial assistance for groups on low income and protect the vulnerable. The simplified scheme should make it easier for claimants to complete the application process and develop a clearer understanding of what they may be entitled to receive. At the same time the opportunity will arise to achieve savings by minimising back office administration resulting in less resource requirement and reduced IT support costs.	Detailed financial analysis/modelling will be conducted into the effects of the different proposal to claimant profile groups to gauge the impact and minimise the numbers that may be affected.
CC15	Reduce Council Tax Discretionary Hardship Fund	We propose to reduce the current Council Tax Discretionary Hardship Fund, based on expected demand from past experience. This saving has been taken into account when setting the tax base.	As the proposal develops the Council will need to let impacted groups know if there is any more detail or information to provide to them or if it needs to consult with them

Ref	Proposal	Description	Further detail
			further.
CC16	Reduce Local Welfare Assistance Provision Scheme	The Government has ended Local Welfare Assistance funding but the Council has earmarked reserves to continue this for 2016/17. The Council now proposes a much smaller reduction down to the level of current demand, allied to administrative efficiencies. From 2017/18 onwards the council has identified additional funding of £1.3m and will also work with partners to seek extra funding to supplement this,	The 2016/17 budget is being maintained at the current level of demand and additional funding will be sought for later years. In addition, we will try to reduce the impact by signposting to other potential sources of assistance.
CC17	Reduction in expenditure and subsidy loss for exempt accommodation cases by assisting these providers to become registered social landlords	The change to this service will be to encourage some of the private sector landlords to become regulated providers. This change will then allow the city council to claim more subsidy from central government which will achieve the savings.	Not Applicable
CC19	Revenue Services Transformation Programme to reduce Revenues Contract price further with Service Birmingham.	The Council is working with Service Birmingham to identify ways to reduce the contract price from 2016/17 until the end of the contract in 2021.	Not Applicable
CC21	Universal Credit Changes permitting staff reduction in contact centre	With the introduction of Universal Credit, we are expecting to receive less calls relating to Housing Benefit, because people on Universal Credit will not be receiving this benefit from the Council, they will be receiving it	There is an overall Universal Credit project which will identify and manage the impacts.

Ref	Proposal	Description	Further detail
		from the Department of Work and Pensions.	
CC22	Pay suppliers faster in exchange for discounts	The Council currently pay suppliers' bills after 30 days. The Council now proposes to pay suppliers earlier in exchange for receiving a discount.	Not Applicable
CC23	To reduce the amount the Council spends on Information and Communication Technology (ICT) over the next few years	After a detailed review of its ICT strategy and service requirements, the Council is proposing to reduce the amount it spends on ICT over the next 4 years. The Council would normally borrow money to pay for these ICT improvements, but by borrowing less the Council will have less debt and will pay less interest on what it had planned to borrow.	Not Applicable
CC24	Reducing the affordability gap to the Council resulting from existing BSF schools contracts	The Building Schools for the Future (BSF) Programme provided Capital Grant Funding. We were required to ensure that each Design and Build project was supported by a Facility Management (FM) arrangement where a 3rd party organisation runs the building on the School/ Academies behalf. The cost of the FM contracts are met by the Council and each School/ Academy contributes its former premises related budget to support the arrangement. However, these budgets do not meet the full cost of the contract. As a consequence there is a cost to the Council. It is proposed to re-scope services within each of the contracts.	Not Applicable
CC25	Maximising opportunities for accounting for capital costs	Capital accounting regulation allows certain costs to be charged to Capital projects. The costs identified in this proposal are currently charged to the revenue budget and they will now	Not Applicable

Ref	Proposal	Description	Further detail
		be charged to the capital budget ensuring consistent treatment with other similar projects elsewhere within the Council.	
CC26	Council administrative buildings reduction	The future demand for office space for the Council is expected to drop as the Council redesigns its services.	Not Applicable
E25	Support Services	<p>We are proposing to:</p> <ul style="list-style-type: none"> <li>- Make substantial staffing reductions;</li> <li>- Increase efficiency;</li> <li>- Maximise opportunities to charge for services;</li> <li>- Place more responsibility with line managers</li> </ul>	<p>Consultation with staff and other stakeholders</p> <p>Clearly defining managers' roles and the role of support services</p> <p>Taking steps to bring about the change in culture and develop the new management skills that will be needed; including improvements to technology, processes and online advice to support managers</p>

## APPENDIX 2: BIRMINGHAM CITY COUNCIL REVENUE GRANTS

Grant	Adjusted 2015/16 Budget £m	2016/17 Budget £m	Variation £m	2017/18 Budget £m
Revenue Support Grant <sup>1</sup>	286.898	226.587	(60.311)	177.753
Top Up Grant	126.015	127.067	1.052	129.566
<b>Subtotal Core Grants</b>	<b>412.913</b>	<b>353.654</b>	<b>(59.259)</b>	<b>307.319</b>
Small Business Rate Relief <sup>2</sup>	5.606	6.221	0.615	6.221
Other Section 31 Grant Relating to Business Rates <sup>2</sup>	8.531	4.785	(3.746)	4.785
New Homes Bonus Topslice: Returned Funding	1.048	0.750	(0.298)	0.000
New Homes Bonus	16.801	19.819	3.018	20.686
Improved Better Care Fund	0.000	0.000	0.000	6.728
<b>Subtotal Corporate Grants</b>	<b>31.986</b>	<b>31.575</b>	<b>(0.411)</b>	<b>38.420</b>
<b>Directorate Grants</b>				
Public Health Grant	92.062	95.571	3.509	93.215
Better Care Fund	32.163	54.502	22.339	75.963
The Private Finance Initiative (PFI) - Highways	50.311	50.311	0.000	50.311
The Private Finance Initiative (PFI) - Education	18.232	18.232	0.000	18.232
Education Services Grant	13.500	12.092	(1.408)	12.092
Birmingham Adult Education Services from Skills And Education Funding Agencies	11.144	10.758	(0.386)	10.758
Housing Benefit and Council Tax Subsidy Admin Grant	8.199	7.678	(0.521)	7.678
Independent Living Fund	0.935	4.499	3.564	4.349
Troubled Families grants	5.180	4.234	(0.946)	6.946
Illegal Money Lending Team	3.605	3.605	0.000	3.605
MAST/PE Teacher Release Funding	2.265	2.207	(0.058)	2.207
Youth Justice Board Grant	2.217	1.982	(0.235)	1.982
Community Safety Fund	2.498	1.873	(0.625)	1.873
New Homes Bonus Affordable Homes element	0.975	1.243	0.268	1.243
SEND Implementation	0.795	0.898	0.103	0.898
Local Reform and Community Voices	0.754	0.754	0.000	0.754
Asylum Seekers	0.225	0.662	0.437	0.622
Remand Framework Allocation	0.622	0.627	0.005	0.627
European Capital of Running	0.000	0.529	0.529	0.404
New Burdens DWP Welfare Reform Grant	0.350	0.342	(0.008)	0.342
Staying Put Grant	0.150	0.300	0.150	0.300
Police and Crime Commissioner Grant	0.273	0.273	0.000	0.273
Scam Busters	0.260	0.261	0.001	0.261
Opticities	0.000	0.200	0.200	0.000



Grant	Adjusted 2015/16 Budget £m	2016/17 Budget £m	Variation £m	2017/18 Budget £m
Direct Salaries Grant	0.186	0.186	0.000	0.186
Core Cities	0.000	0.179	0.179	0.000
Home Office Prevent Programme	0.193	0.151	(0.042)	0.151
Climate Change KIC	0.132	0.150	0.018	0.000
City 4 Age	0.000	0.130	0.130	0.032
Local Sustainable Transport Fund Contingency	0.000	0.128	0.128	0.025
Extended Rights to Free Travel	0.105	0.105	0.000	0.105
Home Office Prevent Grant - Community Outreach	0.000	0.096	0.096	0.096
Natural England Grant for Higher Level Stewardship in Sutton Park	0.095	0.095	0.000	0.095
Magistrates Grant	0.085	0.078	(0.007)	0.074
Police and Crime Panel	0.066	0.066	0.000	0.000
Home Office Prevent Grant HEFE Coordinator	0.036	0.065	0.029	0.065
Home Office Prevent Grant - Pathwayz	0.000	0.064	0.064	0.064
Optimum	0.000	0.063	0.063	0.040
Open Transport Network	0.034	0.060	0.026	0.000
Home Office Prevent Grant Programme Analyst	0.038	0.055	0.017	0.055
Home Office Prevent Grant - Upstanding Neighbourhoods	0.035	0.048	0.013	0.048
Home Office Prevent Grant - Young Leaders	0.000	0.048	0.048	0.048
Youth Justice Board Grant - Unpaid work order	0.035	0.046	0.011	0.046
Home Office Prevent Grant - Supporting Families	0.000	0.042	0.042	0.042
Home Office Prevent Grant - Tapestry	0.000	0.032	0.032	0.032
Natural England Grant for Higher Level Stewardship Grasslands	0.025	0.025	0.000	0.025
Home Office Prevent Grant - Raising Voices	0.000	0.020	0.020	0.020
Opti Cities European FP7	0.122	0.020	(0.102)	0.000
Climate Change ELIPTIC	0.000	0.011	0.011	0.009
Natural England Grant for Higher Level Stewardship Lickey Hills	0.009	0.009	0.000	0.009
Arts Council England - Wardrobe Funding	0.000	0.008	0.008	0.000
Home Office Prevent Grant - Internet Safety	0.000	0.008	0.008	0.008
Climate Change CEPPI	0.000	0.000	0.000	0.045
Bikeability Grant	0.229	0.000	(0.229)	0.000
Birmingham Connectivity Voucher & Business Support ERDF Grant	0.036	0.000	(0.036)	0.000
Business Development Programme GBSLEP	0.559	0.000	(0.559)	0.000
Business Innovation	0.314	0.000	(0.314)	0.000

Grant	Adjusted 2015/16 Budget £m	2016/17 Budget £m	Variation £m	2017/18 Budget £m
Climate Change SPEA	0.181	0.000	(0.181)	0.000
Council Tax Support New Burdens Funding	0.307	0.000	(0.307)	0.000
Counter Fraud Fund	0.076	0.000	(0.076)	0.000
Enterprising Catalyst 2 Project ERDF	0.964	0.000	(0.964)	0.000
Green Bridge	1.503	0.000	(1.503)	0.000
Home Office Prevent Grant - Prevent Evaluation	0.008	0.000	(0.008)	0.000
Investing in Enterprise Space A34/A47 and A41 Corridors	0.022	0.000	(0.022)	0.000
Investing in Enterprise Space Digbeth and Jewellery Quarter	0.024	0.000	(0.024)	0.000
Single Homeless Fund	0.156	0.000	(0.156)	0.000
Site Delivery Fund	0.035	0.000	(0.035)	0.000
Social Care in Prisons Grant	0.205	0.000	(0.205)	0.000
Technical Assistance ERDF Future Funding	0.188	0.000	(0.188)	0.000
Tyseley Property Assistance Package	0.012	0.000	(0.012)	0.000
Womens Enterprise Centre Grant	0.127	0.000	(0.127)	0.000
Youth Music Programme	0.046	0.000	(0.046)	0.000
<b>Subtotal Directorate Grants</b>	<b>252.903</b>	<b>275.621</b>	<b>22.718</b>	<b>296.255</b>
<b>Expenditure Reimbursement Grants</b>				
Mandatory Rent Allowances: subsidy	345.529	345.749	0.220	345.749
Rent Rebates Granted to HRA Tenants: subsidy	201.658	201.000	(0.658)	201.000
Discretionary Housing Payments (DHPs)	3.052	3.052	0.000	3.052
Higher Education Funding Council (HEFC)	0.786	0.736	(0.050)	0.736
<b>Subtotal Expenditure Reimbursement Grants</b>	<b>551.025</b>	<b>550.537</b>	<b>(0.488)</b>	<b>550.537</b>
<b>Direct Schools Funding Grants</b>				
Dedicated Schools Grant (DSG)	709.141	696.408	(12.733)	696.408
Pupil Premium Grant	60.010	57.887	(2.123)	57.887
Sixth Form Funding from Education Funding Agency	17.550	17.227	(0.323)	17.227
Universal Infant Free School Meals	9.884	10.088	0.204	10.088
<b>Subtotal Direct Schools Funding Grants</b>	<b>796.585</b>	<b>781.610</b>	<b>(14.975)</b>	<b>781.610</b>
<b>Total Grants</b>	<b>2,045.412</b>	<b>1,992.997</b>	<b>(52.415)</b>	<b>1,974.141</b>

1. 2015/16 budget has been adjusted for those specific grants rolled into RSG from 2016/17 in order to be able to make a like for like comparison between the years
2. Excludes grants payable to the Enterprise Zone

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## **Further Information on Grants over £5m**

### **Public Health Grant - £95.6m**

Since 1 April 2013 the City Council has been responsible for providing a range of public health services including sexual health, smoking cessation, drugs and alcohol abuse and promoting healthy lifestyles. Funding is received by the Council as a ring fenced grant and is overseen by the Health and Wellbeing Board. Most of the funding is spent on services commissioned from NHS Trusts, Primary Care contractors, the Third Sector and the City Council.

The grant is ring-fenced and can only be used on public health related activities set out in a range of legislation and included in the grant conditions. The activities also need to be in line with the Health and Wellbeing strategy and, most importantly, Public Health Outcomes will have to improve to reduce the risk of a loss of funding in the future.

The Department of Health confirmed the Public Health Grant allocations for 2016/17 on 11 February 2016. The amounts provided to Birmingham for the provision of Public Health services will be £95.6m in 2016/17, an overall increase of £3.5m to the amount expected to be received when the budget was set for 2015/16. This increase is due to a combination of factors as described below:

- On 4 June 2015 public expenditure reductions announced by the Chancellor included £200 million to be saved from the public health grant. The reduction in the City Council's Public Health Grant was £5.7m.
- As part of delivering its vision of improving the health outcomes of children and young people the Government transferred the responsibility for commissioning 0-5 year old children's public health services from NHS England to Local Government on 1 October 2015. The full year effect of this change has resulted in the City Council receiving additional Public Health Grant of £11.2m for 2016/17.
- As part of the Government's Spending Review in November 2015, further reductions were announced. This has resulted in a loss of £2.0m for the City Council.

The announcement in February 2016 advised Birmingham should expect an indicative allocation of £93.2m for 2017/18.

### **Better Care Fund - £54.5m**

The Better Care Fund (BCF) was announced in June 2013 to drive the locally-led transformation of services to ensure that people receive better and more integrated care and support. The fund has been made available to assist in the improved integration of health and social care services, including through pooled budget arrangements between local authorities and Clinical Commissioning Groups (CCGs).

For Birmingham, the Council's Cabinet in March 2014 endorsed the principle of a BCF joint pooled budget for Older Adult Social Care and health integrated provision between BCC and local NHS CCG's.

Funding will continue into 2016/17, and it is estimated that £54.5m will be available to the City Council in that year. This includes the impact of first year of plans for savings to be achieved through the re-design and integration of services across the health and social care economy, as set out elsewhere in this document.

In the Spending Review 2015 the Government announced that it will be making additional funding available to local authorities; this will be available from 2017/18, rising to £1.5bn nationally by 2019/20. For Birmingham, £6.7m is expected to be available in 2017/18, rising to £52.4m in 2019/20. It will be noted that the Council's financial plans include a further significant level of savings to be achieved from 2017/18 onwards through the re-design and integration of services across the health and social care economy. Therefore, whilst this additional BCF resource is being treated as a corporate resource, it is expected that it will be made available to fund additional care services, to facilitate investment in order to deliver the savings in the plan or to mitigate budgetary pressures should there be any under-achievement of the required level of savings.

### **Birmingham Adult Education Services from the Skills and Education Funding Agencies – £10.8m**

The City Council will receive a grant of £10.8m in 2016/17 to continue to provide Adult Life Long Learning Services (this includes the provision of an Adult Skills Programme and a Community Learning Programme for a diverse range of local people from the age of 18 years).

### **Housing Benefit and Council Tax Benefit Subsidy Administration Grant - £7.7m**

The City Council has estimated that it will receive a base allocation from the Government of £7.7m in 2016/17. This is a reduction of £0.5m from the grant given in 2015/16. The cost of the service will be managed within this reduced resource envelope.

### **Private Finance Initiative Grants - £68.5m**

The City Council will continue to receive funding for Private Finance Initiative (PFI) projects of £68.5m being £50.3m for Highways and £18.2m for schools. Whilst this funding is unringfenced, it is needed to meet contractually committed payments and is not available to meet City Council expenditure generally, other than on a temporary basis and requiring repayment.

## **Education Services Grant - £12.1m**

Education Services Grant (ESG) (an unringfenced grant), estimated at £12.1m, is provided to reimburse City Council for costs and commitments it continues to incur from its General Fund on behalf of maintained schools. Part of the Authority's allocation is paid to Academies directly by the Education Funding Agency to allow them to make their own provisions, the balance is then paid to local authorities on a per pupil basis as ESG.

The estimated figure represents a reduction of £1.4m compared with 2015/16. This is due to schools converting (known and estimated) to Academies which means funding is transferred as Academies take on the responsibility for securing these services. 2016/17 has also seen a further reduction in the funded pupil rate at which part of the grant (excluding the retained duties element) is paid, from £87 to £77 per pupil.

The Government announced in the Spending Review 2015 that it plans to phase out the additional funding received through ESG although it also announced that it would reduce the local authority role in running schools and remove a number of statutory duties. The Government plans to consult on policy and funding proposals in 2016 and so details are not yet available on the financial implications of this change. Financial plans (both income and expenditure) will need to be adjusted once further information becomes available.

## **Other Directorate Revenue Grants**

In addition to the main grant funding streams, smaller specific grants continue to be received from Government. Services will need to manage within the level of grant that they receive. A full breakdown of all grants the City Council expects to receive in 2016/17 can be seen in the table at the start of this Appendix.

## **Schools Funding**

Schools receive funding via a variety of different grant streams, the main ones being:

- Dedicated Schools Grant
- Pupil Premium
- Universal Infant Free School Meals
- Education Funding Agency

A summary of how schools' funding is applied can be seen in the Table below:-

### Schools' Funding Summary 2016/17

	DSG	Pupil Premium	Universal Infant FSM	EFA - Post 16	Total
	£m	£m	£m	£m	£m
Schools Delegated	505.6	54.5	10.1	17.2	587.4
Early Years	79.9	0.0	0.0	0.0	79.9
High Needs Top-Up	74.0	0.0	0.0	0.0	74.0
Central	36.9	3.4	0.0	0.0	40.3
Sub-Total – City Council	696.4	57.9	10.1	17.2	781.6
Academies & other Recoupment	403.7	35.2	3.2	0.0	442.1
Total	1,100.1	93.1	13.3	17.2	1,223.7

### Dedicated Schools Grant (DSG) - £696.4m

DSG is allocated to Local Authorities in three blocks and local authorities are allowed to vire between the three blocks to address any specific needs or pressures. Birmingham has currently set its blocks at the following amounts – final allocations will not be confirmed until late February/early March after consultation with Schools Forum.

**Allocation of Dedicated Schools Grant 2016/17**

	Schools Block	Early Years Block	High Needs Block	Total
	£m	£m	£m	£m
Schools Delegated	473.1	0.0	32.5	505.6
Early Years	0.0	79.9	0.0	79.9
High Needs Top-Up	0.0	0.0	74.0	74.0
Central	19.1	2.2	15.6	36.9
Sub-Total City Council DSG	492.2	82.1	122.1	696.4
Academies & other recoupment	382.5	0.0	21.2	403.7
Gross DSG	874.7	82.1	143.3	1,100.1

- Schools block (covering provision in mainstream schools from Reception to Year 11): Funding from the DfE is based on a funding rate per pupil, which for 2016/17 is £5,218.42, and pupil numbers primarily derived from the October 2015 pupil census data. Birmingham has therefore set the schools block at £874.7m. Current estimates indicate that of this total, £382.5m will be recouped by the DfE for Academies, and the balance of £492.2m will be available for maintained schools and remaining items of centrally managed commitments.
- Early Years block (covering nursery schools, nursery classes and private, voluntary and independent sector providers of early years provision (PVI)s). The 2016/17 allocation of £82.1m is for 3 and 4 year olds and is based on a rate per pupil (£5,215.79) and forecast January 2016 census data. It also covers funding for centrally managed commitments but decisions on the exact amount will be subject to School Forum approval in February. The allocation also includes funding for targeted 2 year olds.
- High Needs block (covering pupils with high needs – defined by the DfE as those requiring provision costing in excess of a given threshold – in special schools, resource bases, pupil referral units and mainstream schools): The 2016/17 allocation is £143.3m. The block covers post 16 high needs provision up to the age of 24. It is to be noted that for Academies and Further Education providers, the first £10,000 of a pupil's funding will be paid directly to the relevant establishment by the Education Funding Agency (EFA). High Needs requirements in excess of that amount (the Top Up) will be met from the City Council's High Needs block. Current estimates indicate that £21.2m will be recouped by the DfE for special Academies,

resource bases in Academies and post 16 places, with the balance of £122.1m remaining for the maintained special schools, funding for the Top Up and other centrally managed commitments.

Further schools converting to Academies will also reduce the level of DSG available to the City Council.

The current assumption in the Long Term Financial Strategy and Plan (LTFS and LTFP) is that services funded by DSG will manage within their grant allocations at whatever level this may be.

### **Pupil Premium Grant - £57.9m**

Pupil Premium is allocated to provide additional funding for pupils in receipt of free school meals. The 2016/17 grant is estimated at £93.1m of which £35.2m is for Academies with £57.9m retained by the City Council. It will apply to all pupils aged from 4 to 15 (year groups Reception to 11) who are:

1. Known to be eligible for free school meals (£1,320 per pupil in primary and £935 per pupil in secondary)
2. Looked After children (£1,900 per pupil)
3. Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order (£1,900 per pupil)
4. Pupils whose parents are serving members of the armed forces (Service Children) (£300 per pupil)

For groups 1, 3 & 4 allocations will be calculated on the basis of the January 2016 pupil census. Group 2 allocations will be calculated on the basis of the Children in Need census carried out on 31 March 2016. The City Council's internal estimate of the level of funding that will be received for children eligible for free school meals (group 1), children ceased to be looked after (group 3) and service children (group 4) is £54.5m that is attributable to maintained schools and £3.4m for Looked after Children will be held centrally.

### **Education Funding Agency - £17.2m**

It is estimated that the City Council will receive £17.2m in 2016/17 from the Education Funding Agency (EFA) to fund education and training of 16-19 year olds in sixth forms within schools. This is a reduction of £0.3m on 2015/16.

### **Universal Free School Meal Grant - £10.1m**

The grant was introduced for the 2014/15 Academic Year and is paid to schools to enable them to provide free school meals for pupils in Reception to Year 2. The City Council is currently assuming that the grant will continue into the 2016/17 Academic year. The £13.3m breaks down between £3.2m to Academies and £10.1m to the local authority.



**Grants to Reimburse Expenditure - £550.5m**

The City Council receives a number of grants to reimburse costs incurred, mainly in paying benefit claimants. Whilst these form part of the gross budget of the City Council, the level of expenditure is determined by claimant demand and eligibility. Payments made to claimants are closely matched by any grant received. The grants to fund benefit expenditure expected to be received by the City Council in 2016/17 can be seen in the Table at the start of this Appendix.

## APPENDIX 3: LONG-TERM FINANCIAL PLAN AND EFFICIENCY STATEMENT 2016/17 - 2025/26

Long-Term Financial Plan and Efficiency Statement 2016/17 - 2025/26										
	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Base Budget 2015/16	874.541	874.541	874.541	874.541	874.541	874.541	874.541	874.541	874.541	874.541
Pay & Price Inflation	17.399	28.809	39.496	50.621	63.554	78.473	93.130	108.166	123.412	134.386
Meeting Budget Issues and Policy Choices	23.656	45.558	79.939	109.711	117.374	122.398	128.585	131.013	135.288	137.698
Savings Plans	(88.210)	(163.336)	(210.653)	(251.245)	(253.340)	(253.340)	(253.340)	(253.340)	(253.340)	(253.340)
Corporate Adjustments:										
Net Repayment to Corporate Reserves	17.826	(9.157)	28.778	33.556	26.555	27.510	26.798	31.321	34.853	35.016
Corporately Managed Budgets	(10.342)	43.906	17.250	18.242	18.438	13.404	26.532	28.888	27.174	30.428
Changes in Corporate Government Grants	0.411	(6.434)	(22.822)	(43.385)	(43.385)	(43.385)	(43.385)	(43.385)	(43.385)	(43.385)
<b>Total Expenditure</b>	<b>835.281</b>	<b>813.887</b>	<b>806.529</b>	<b>792.041</b>	<b>803.737</b>	<b>819.601</b>	<b>852.861</b>	<b>877.204</b>	<b>898.543</b>	<b>915.344</b>
Business Rates <sup>1</sup>	(205.842)	(206.516)	(218.448)	(226.525)	(234.901)	(243.588)	(250.892)	(258.416)	(266.165)	(274.146)
Top Up Grant	(127.067)	(129.566)	(133.388)	(137.652)	(142.057)	(146.603)	(150.268)	(154.024)	(157.865)	(161.822)
Revenue Support Grant	(226.587)	(177.753)	(143.992)	(109.743)	(113.255)	(116.879)	(119.801)	(122.796)	(125.866)	(129.012)
Council Tax	(287.962)	(300.052)	(312.647)	(325.772)	(332.920)	(340.223)	(347.687)	(355.315)	(363.111)	(371.078)
Collection Fund (Surplus)/Deficit Business Rates	17.958	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Collection Fund (Surplus)/Deficit Council Tax	(5.781)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Resources</b>	<b>(835.281)</b>	<b>(813.887)</b>	<b>(808.475)</b>	<b>(799.692)</b>	<b>(823.133)</b>	<b>(847.293)</b>	<b>(868.648)</b>	<b>(890.551)</b>	<b>(913.007)</b>	<b>(936.058)</b>
<b>Gap</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.946)</b>	<b>(7.651)</b>	<b>(19.396)</b>	<b>(27.692)</b>	<b>(15.787)</b>	<b>(13.347)</b>	<b>(14.464)</b>	<b>(20.714)</b>

Note 1 - Business Rates figures for 2017/18 onwards are shown net of any anticipated (surplus)/deficit.

## APPENDIX 4: COUNCIL TAX 2016/17

The information received in respect of precepts can be seen in the table below.

	City Council £m	Fire and Rescue Authority £m	Police & Crime Commissioner £m	New Frankley in Birmingham Parish Precept £m	Sutton Coldfield Parish Precept £m
City Council Net Budget	835.281				
Less: Redistributed Non-domestic rates, Top-Up Grant and Revenue Support Grant	541.538				
<b>Equals: amount required from Collection Fund</b>	<b>293.743</b>				
Less: estimated surplus in Collection Fund	5.781				
<b>Equals: amount required from council tax payers</b>	<b>287.962</b>			<b>0.044</b>	<b>1.824</b>
Divided by taxbase (Band D equivalent properties)	239,042	239,042	239,042	1,312	36,509
<b>Equals: Band D Council Tax</b>	<b>£ 1,204.65</b>	<b>£ -</b>	<b>£ -</b>	<b>£ 33.78</b>	<b>£ 49.96</b>
Percentage Change in each element of Council Tax	3.99%*			1.44%	N/A
<b>Total Band D Council Tax</b>			<b>£ 1,204.65</b>	<b>£ 1,238.43</b>	<b>£ 1,254.61</b>

\*This amount includes a 2% increase relating to the additional Adult Social Care Precept

The detailed Council Tax levels for each property band in Birmingham are:

	City Council	Fire and Rescue Authority	West Midlands Police & Crime Commissioner	Total excl. Parish Precept	New Frankley in Birmingham		Sutton Coldfield Parish	
					Parish Precept	Parish Total	Parish Precept	Parish Total
	£	£	£	£	£	£	£	£
Band								
A				0.00		0.00		0.00
B				0.00		0.00		0.00
C				0.00		0.00		0.00
<b>D</b>	<b>1,204.65</b>			<b>1,204.65</b>	<b>33.78</b>	<b>1,238.43</b>	<b>49.96</b>	<b>1,254.61</b>
E				0.00		0.00		0.00
F				0.00		0.00		0.00
G				0.00		0.00		0.00
H				0.00		0.00		0.00

## APPENDIX 5: INVESTMENT IN POLICY PRIORITIES AND PRESSURES SCHEDULE

Directorate	Existing or New	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>Corporate Resources Directorate</b>					
Information and Communication Technology - Fall out of Prudential Borrowing Costs	Existing & New	(5.801)	(3.645)	(3.704)	(3.715)
Business Transformation Costs and Repayments	Existing & New	(1.092)	(1.294)	(1.330)	(0.468)
Corporate Support for Unachievable Income Targets	New	0.388	0.388	0.388	0.388
Insurance Fund Contribution reduced	New	(2.170)	(2.170)	(2.170)	(2.170)
Council Tax Court Cost Recovery	New	(1.000)	(1.000)	(1.000)	(1.000)
Cabinet Office - Additional costs	New	0.374	0.374	0.374	0.374
<b>Sub-total Corporate Resources Directorate</b>		<b>(9.301)</b>	<b>(7.347)</b>	<b>(7.442)</b>	<b>(6.591)</b>
<b>Economy Directorate</b>					
Highways Maintenance Contract Pension Cost	Existing	0.016	0.033	0.050	0.068
ITA Levy	Existing & New	(2.609)	(3.307)	(3.865)	(3.865)
Northfield Relief Road Prudential Borrowing Costs	New	0.270	0.270	0.270	0.270
Employment & Skills	New	0.521	0.521	0.521	0.521
Strategic Transport -Additional costs	New	0.320	0.320	0.320	0.320
Corporate Support for Unachievable Income Targets	New	0.250	0.250	0.250	0.250
Planning & Regeneration - Additional costs	New	0.100	0.100	0.100	0.100
<b>Sub-total Economy Directorate</b>		<b>(1.132)</b>	<b>(1.813)</b>	<b>(2.354)</b>	<b>(2.336)</b>
<b>People Directorate</b>					
Adult Social Care					
Demographic Increase	Existing	6.596	13.265	19.934	26.603
Business Charter for Social Responsibility	Existing & New	3.949	6.370	10.470	13.255
Improved Better Care Fund Costs	New	0.000	6.728	31.268	52.389
Deprivation of Liberty Safeguards - additional cost of new duty over and above that covered by grant income	New	0.625	0.625	0.625	0.625
Independent Living Fund - additional cost of duty compared with 5% annual attrition rate of grant	New	0.190	0.190	0.190	0.190
Care Act Commitments	New	5.000	5.000	5.000	5.000
Children's Social Care Investment	Existing	4.741	6.995	6.995	6.995
Education and Schools Strategy Improvement Plan - Fall out of temporary corporate support	Existing	(0.396)	(0.396)	(0.396)	(0.396)
Education Services Grant Reduction - Fall out of temporary corporate support	Existing & New	(0.578)	(1.178)	(1.178)	(1.178)
<b>Sub-total People Directorate</b>		<b>20.127</b>	<b>37.599</b>	<b>72.908</b>	<b>103.483</b>

Directorate	Existing or New	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>Place Directorate</b>					
Sports & Leisure Service - Fall out of temporary corporate support	Existing	(0.384)	(0.307)	(1.045)	(1.805)
Community Initiative Fund	Existing	2.000	2.000	2.000	2.000
CCTV Camera Maintenance - Fall out of temporary corporate support	Existing	(0.100)	(0.100)	(0.100)	(0.100)
Highways Horticulture Maintenance	Existing	0.060	0.060	0.060	0.060
Waste Disposal Costs	Existing & New	0.816	1.572	1.851	1.851
Wholesale Markets Business Case	Existing & New	0.351	1.458	1.256	0.886
Alexander Stadium	New	0.500	0.500	0.500	0.500
Coroners - one off corporate support	New	0.180	0.000	0.000	0.000
Pest Control - unachievable income target	New	1.200	1.200	1.200	1.200
Markets - unachievable income target	New	0.700	0.700	0.700	0.700
Climate Change Levy - change in legislation	New	0.500	0.500	0.500	0.500
Expenditure Previously Funded by Specific Grant now Rolled into Corporate Funding	New	0.128	0.128	0.128	0.128
LoCAL/Asset Rationalisation - Temporary staffing	New	0.078	0.000	0.000	0.000
<b>Sub-total Place Directorate</b>		<b>6.029</b>	<b>7.711</b>	<b>7.050</b>	<b>5.920</b>
<b>Corporate</b>					
Highways Infrastructure Maintenance	Existing	0.250	0.500	0.750	1.000
National Living Wage	Existing	0.000	0.000	0.101	0.365
Reduction in Policy Contingency	Existing & New	0.000	(1.000)	(1.500)	(1.500)
Reduction in Revenue Cost of Redundancy	Existing & New	(10.304)	(10.305)	(4.202)	(6.202)
Pension Fund Deficit Recovery	Existing & New	3.488	4.385	3.217	4.235
Autoenrolment Pension Scheme	Existing & New	0.000	5.250	5.250	5.250
Carbon Reduction Commitment	Existing & New	0.029	0.002	0.060	0.675
Apprenticeship Levy	New	0.000	2.056	2.056	2.056
Staff Increments	New	3.175	3.175	3.175	3.175
Youth Offer	New	0.000	(1.000)	(1.000)	(1.000)
Combined Authority Start Up Costs	New	0.500	0.000	0.000	0.000
Improvement Expenditure and Savings Delivery Contingency	New	10.795	6.345	1.870	1.181
<b>Sub-total Corporate</b>		<b>7.933</b>	<b>9.408</b>	<b>9.777</b>	<b>9.235</b>
<b>Total Policy Priorities and Pressures</b>		<b>23.656</b>	<b>45.558</b>	<b>79.939</b>	<b>109.711</b>

## APPENDIX 6: SAVINGS PROPOSALS

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>CORPORATE RESOURCES DIRECTORATE</b>				
<b>Existing Plans</b>				
<b>E8-Service efficiencies – communications</b> The step up in this saving is the full year effect of that identified in 2015/16 which proposed a review of the service and reduction in staff.	(0.019)	(0.019)	(0.019)	(0.019)
<b>E9-Birmingham Property Services – Central Administration Building (CAB) Phase 1 and redesign of Corporate Landlord Service</b> Reduced Building Operating Costs from the CAB Portfolio and Savings within Corporate Landlord function - Ongoing delivery of original business case.	(0.344)	(0.344)	(0.344)	(0.344)
<b>E21-Birmingham Property Services</b> We are proposing to reduce: <ul style="list-style-type: none"> <li>• the number of staff in the Birmingham Property Services team</li> <li>• the number of vacant properties in our commercial property portfolio</li> <li>• office security costs</li> </ul> In addition, to increase rental income from our investment property portfolio.	(0.740)	(1.490)	(1.490)	(1.490)
<b>E22-Revenues</b> To redesign the way the client team works, ensuring effective focus on contract monitoring work. <ul style="list-style-type: none"> <li>• To reduce printing, scanning and indexing costs.</li> <li>• To increase the cost of Council Tax and Business Rates Summons' to reflect the increased costs of this function. This is a fee Birmingham residents and businesses are charged if they are summonsed to court for not paying their Council Tax or Business Rates. The fee is currently lower than that charged by many other Local Authorities.</li> </ul>	(0.150)	(0.300)	(0.300)	(0.300)
<b>E23-Service Birmingham</b> We are proposing to reduce our ICT costs.	(2.800)	(5.940)	(5.880)	(7.200)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>E20-Support Services and E24 - Fall out of acceleration of savings</b> We are undertaking a comprehensive ISS (Integrated Support Services) review that support the delivery of these savings as well as additional savings identified in 2016/17 onwards. A number of initiatives will be implemented and will include: <ul style="list-style-type: none"> <li>• make substantial staffing reductions</li> <li>• increase efficiency</li> <li>• maximise opportunities to charge for services</li> <li>• place more responsibility with line managers</li> <li>• charge credit card transaction fees back to the customer</li> <li>• reduce Forward (the Council newspaper for Residents) to two times a year</li> <li>• review arrangements for tracking resident satisfaction and views</li> <li>• substantially reduce the third sector support contract and identify sustainable support arrangements</li> <li>• increase income from external advertising</li> </ul>	(1.100)	(3.920)	(3.920)	(3.920)
<b>Subtotal Existing Plans</b>	<b>(5.153)</b>	<b>(12.013)</b>	<b>(11.953)</b>	<b>(13.273)</b>
<b>New Plans</b>				
<b>CC1 Restructure the Corporate Communications team</b> The Local Government Association (LGA) will provide independent advice on how Birmingham City Council can structure its Corporate Communications function with a specific focus on creating a modern, efficient and integrated communications service.	(0.075)	(0.150)	(0.150)	(0.150)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>CC2 Stop production of the BCC residents' newspaper 'Forward' in printed format and go online</b> Forward will no longer be produced in printed format but will be published online. This will mean that budget savings will be delivered from reduced design, print and distribution costs. The Corporate Communications team will focus on improving digital communications channels with residents and key stakeholders.	(0.058)	(0.058)	(0.058)	(0.058)
<b>CC3 Reduce marketing budget</b> It is proposed to reduce the corporate marketing budget.	(0.100)	(0.100)	(0.100)	(0.100)
<b>CC8 Outsource all procurement below £100k</b> To create an external process to manage buying low value goods and services .	0.000	(0.100)	(0.100)	(0.100)
<b>CC13 Targeted net improvement in the housing benefit subsidy</b> The proposal is to reclaim Housing Benefit Grant overpayments.	(2.000)	(1.500)	(1.000)	0.000
<b>CC14 Redesign Council Tax Support Scheme to simplify process and streamline administration</b> The Council is proposing to develop a simplified scheme that will continue to provide financial assistance for groups on low income and protect the vulnerable. The simplified scheme should make it easier for claimants to complete the application process and develop a clearer understanding of what they may be entitled to receive. At the same time the opportunity will arise to achieve savings by minimising back office administration resulting in less resource requirement and reduced IT support costs.	0.000	(1.080)	(1.010)	(0.942)



Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>CC16 Reduce Local Welfare Assistance Provision Scheme</b> The Government has ended Local Welfare Assistance funding but the Council has earmarked reserves to continue this for 2016/17. The Council now proposes a much smaller reduction down to the level of current demand, allied to administrative efficiencies. From 2017/18 onwards the council has identified additional funding of £1.3m and will also work with partners to seek extra funding to supplement this.	(1.600)	1.300	1.300	1.300
<b>CC17 Reduction in expenditure and subsidy loss for exempt accommodation cases by assisting these providers to become registered social landlords</b> The change to this service will be to encourage some of the private sector landlords to become regulated providers. This change will then allow the city council to claim more subsidy from central government which will achieve the savings.	(0.200)	(0.550)	(0.950)	(0.950)
<b>CC19 Revenue Services Transformation Programme to reduce Revenues Contract price further with Service Birmingham</b> The Council is working with Service Birmingham to identify ways to reduce the contract price from 2016/17 until the end of the contract in 2021.	(0.300)	(0.600)	(1.000)	(1.000)
<b>CC21 Universal Credit Changes permitting staff reduction in contact centre</b> With the introduction of Universal Credit, we are expecting to receive less calls relating to Housing Benefit, because people on Universal Credit will not be receiving this benefit from the Council, they will be receiving it from the Department of Work and Pensions.	(0.092)	(0.184)	(0.184)	(0.184)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>CC22 Pay suppliers faster in exchange for discounts</b> The Council currently pay suppliers' bills after 30 days. The Council now proposes to pay suppliers earlier in exchange for receiving a discount.	(0.300)	(0.300)	(0.300)	(0.300)
<b>CC23 To reduce the amount the Council spends on Information and Communication Technology (ICT) over the next few years</b> After a detailed review of its ICT strategy and service requirements, the Council is proposing to reduce the amount it spends on ICT over the next 4 years. The Council would normally borrow money to pay for these ICT improvements, but by borrowing less the Council will have less debt and will pay less interest on what it had planned to borrow.	(2.500)	(2.900)	(2.700)	(2.400)
<b>CC26 Council administrative buildings reduction</b> The future demand for office space for the Council is expected to drop as the Council redesigns its services.	0.000	0.000	(2.400)	(2.400)
<b>E21 Birmingham Property Services</b> Last year we proposed to reduce: <ul style="list-style-type: none"> <li>• the number of staff in the Birmingham Property Services team;</li> <li>• the number of vacant properties in our commercial property portfolio; and</li> <li>• office security costs.</li> </ul> In addition, we proposed to increase rental income from our investment property portfolio. We are planning to bring forward some of these savings from 2017/18 into 2016/17.	(0.260)	0.000	0.000	0.000
<b>E25 Support Services</b> We are proposing to <ul style="list-style-type: none"> <li>- Make substantial staffing reductions;</li> <li>- Increase efficiency;</li> <li>- Maximise opportunities to charge for services;</li> <li>- Place more responsibility with line managers.</li> </ul>	(3.200)	(4.800)	(4.800)	(4.800)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>EGJ1 Improve investment returns from properties owned for investments</b> We propose to sell our properties that are not generating enough income and buy new investments that will generate more income.	(0.300)	(0.400)	(0.400)	(0.400)
<b>EGJ2 Charging more costs to capital projects</b> As we deliver more capital projects some of our costs can be charged to their delivery.	(0.200)	(0.300)	(0.400)	(0.400)
<b>MIA22 Transfer out of hours calls from the Contact Centre to housing repairs contractors and third party service providers</b> We propose that all calls between 8 am and 8 pm Monday to Friday would be handled within the Birmingham City Council Contact Centre but between 8 pm and 8 am and all weekends and bank holidays, calls would be transferred to contractors.	(0.262)	(0.450)	(0.450)	(0.450)
<b>MIA23 Change opening hours of contact centre to 9-5 and press for increased use of web</b> We propose to stop taking non-emergency phone calls outside of 9am-5pm and direct customers to online self-service forms and website information	(0.160)	(0.160)	(0.160)	(0.160)
<b>Subtotal New Plans</b>	<b>(11.607)</b>	<b>(12.332)</b>	<b>(14.862)</b>	<b>(13.494)</b>
<b>Total Corporate Resources Plans</b>	<b>(16.760)</b>	<b>(24.345)</b>	<b>(26.815)</b>	<b>(26.767)</b>
<b>ECONOMY DIRECTORATE</b>				
<b>Existing Plans</b>				
<b>E4-Make the Smarter Choices function self-funding.</b> This is the final year of step up of a prior year saving which proposed the following: In the future the team will increasingly provide 'contracted' services drawing on their expertise in safe and sustainable travel promotion, to contribute to the delivery of grant funded projects and the sustainable travel obligations of schools and businesses. This will generate an income for the team.	(0.100)	(0.100)	(0.100)	(0.100)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>E5-Make Digital Birmingham self-funding.</b> Digital Birmingham is 65% self-financed through undertaking national and European projects and aims to move to be fully self-funded in 2017/18. Within these timescales the most likely source of income will initially be grant funding from national and European sources and in order to achieve this we will need to establish a programme of bid writing and consortium building activities. A second source of income is commercial ventures emerging from existing projects (Digital Logbook, DISCOVER eLearning for carers). These will be evaluated for suitability and pursued where appropriate. Failing to generate the required income will lead to redundancies. As the service is currently operating at full capacity, this would directly lead to some activities being stopped altogether.	(0.050)	(0.100)	(0.100)	(0.100)
<b>E31-Development and Regeneration</b> This relates to the fall-out of one-off savings made in 2015/16.	0.145	0.145	0.145	0.145
<b>PL32-Highways Maintenance</b> We are proposing to: <ul style="list-style-type: none"> <li>• Re-finance the PFI contract</li> <li>• Review capital expenditure</li> <li>• Review routine and reactive maintenance.</li> </ul> This would all need to be negotiated with the service provider, Amey and the Department for Transport.	(1.500)	(2.600)	(2.600)	(2.600)
<b>PL33a-Off Street Parking</b> We are continuing our 3 year fee strategy approved in March 2015 to increase off-street car parking charges (estimated at 2% per annum until 2017/18)	(0.100)	(0.200)	(0.200)	(0.200)
<b>PL33b-On Street Parking</b> We are continuing our 3 year fee strategy approved in March 2015 to increase on-street car parking charges (estimated at 2% per annum until 2017/18)	(0.100)	(0.200)	(0.200)	(0.200)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PL35-Traffic Regulation</b> We are introducing a map based system to manage traffic regulation order requests and increase the efficiency of the service.	(0.005)	(0.010)	(0.010)	(0.010)
<b>Subtotal Existing Plans</b>	<b>(1.710)</b>	<b>(3.065)</b>	<b>(3.065)</b>	<b>(3.065)</b>
<b>New Plans</b>				
<b>CC25 Maximising opportunities for accounting for capital costs</b> Capital accounting regulation allows for certain costs to be charged to Capital projects. The costs identified in this proposal are currently charged to the revenue budget and they will now be charged to the capital budget ensuring consistent treatment with other similar projects elsewhere within the Council.	(0.200)	(0.200)	(0.200)	(0.200)
<b>E1 Private development delivery of Highway Change</b> We work with private developers on new roads and improvements to existing roads required as a result of new developments. We are proposing to improve the final sign off process.	(0.020)	(0.020)	(0.020)	(0.020)
<b>E2 Reduce the Council's energy bill</b> We propose the creation of a Corporate Utilities Management function to analyse information about our energy use.	(0.400)	(0.400)	(0.400)	(0.400)
<b>E3 More closely aligned functions with partners in the public and private sectors from across the city region</b> We propose to align a number of service areas so that the region benefits from a more coordinated delivery of economic services, whilst the individual local authorities are able to reduce the cost of service by a reduction in overheads.	(0.150)	(0.150)	(0.150)	(0.150)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>E19 Establish an Energy Services Company</b> The council would look to an existing utilities provider to establish a local Community Energy Company providing cheaper, greener energy to people in Birmingham. The greatest cost-cutting would be delivered to those on pre-payment meters. The partner company would operate the company itself and the Council would assist with customer acquisition. The cost of this to the Council would be covered by a negotiable rebate from the chosen partner energy company.	(0.650)	(0.650)	(0.650)	(0.650)
<b>EGJ10 Self financing of the Employment and Skills Service (ESS)</b> We propose to reduce activities and consolidate the budget of the ESS and Economic Research & Policy teams and increase income from external funding sources.	(0.200)	(0.300)	(0.400)	(0.400)
<b>SN1 Sharing of highways maintenance database with statutory undertakers</b> We are introducing a permit system for organisations wanting to carry out street works, to improve the quality of information we have about current and planned work. This will improve the information available to us which will help us to plan works and manage potential traffic disruption. We will charge organisations in order to recover the cost of managing the permits, and this includes the cost of any staff which are required as a result of implementing and running the scheme.	0.000	0.000	0.000	(0.050)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN2 The City Council will design and develop a modern transport network for the city in order to help develop attractive shopping areas, promote greener forms of transport and improve the environment.</b> We propose to reduce the reliance on car trips and improve air quality. These will be underpinned by a 'nudge' communications campaign to change travel behaviour and switch trips to other modes of transport.	0.194	1.022	(5.000)	(5.000)
<b>SN9 Introduce a GIS mapping system to enable more efficient reporting of street scene issues</b> We propose to introduce a GIS mapping system to combine our data with geographic information and make it quicker and easier to report and identify faults and issues.	(0.055)	(0.055)	(0.055)	(0.055)
<b>SN35 Expansion of City Centre on-street parking, concessions and restrictions</b> Digbeth is one of the largest areas of the city centre without controlled parking measures. The proposal is to develop and implement a controlled parking zone in this area.	0.000	(0.463)	(0.463)	(0.463)
<b>SN36 Biodiversity Supplementary Planning Document</b> We plan to free up some capacity within the Ecologist team to provide ecological services to Council departments that currently commission external consultants to deliver their requirements.	(0.022)	(0.022)	(0.022)	(0.022)
<b>SN37 Transport joint data team</b> In retendering the contract in 2018/19 we expect to generate efficiencies which will result in a saving.	0.000	0.000	(0.055)	(0.055)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN39 To improve income from planning applications and pre application support as the economy improves and lobby the government for more freedoms regarding the setting of planning fees</b> The service expects to receive more planning applications as the economy improves, this will increase income. The Council is in discussions with Government to allow local authorities to set planning fees to fully cover its costs. If this is agreed, at least a 20% increase in fees may be needed. We think that agreeing a change in the law and implementing it would take 2 years.	(0.500)	(0.500)	(1.000)	(1.000)
<b>Subtotal New Plans</b>	<b>(2.003)</b>	<b>(1.738)</b>	<b>(8.415)</b>	<b>(8.465)</b>
<b>Total Economy Plans</b>	<b>(3.713)</b>	<b>(4.803)</b>	<b>(11.480)</b>	<b>(11.530)</b>
<b>PEOPLE DIRECTORATE</b>				
<b>Existing Plans</b>				
<b>P2-Adults – Business Transformation</b> These step-ups represent the continued anticipated increases in benefits from the Adults and Communities Transformation programme. These increases are partly off-set by additional resources which are included in budget pressures to reflect the increased number and costs of care packages arising from demographic change.	(5.725)	(5.725)	(5.725)	(5.725)
<b>P4-Changes in internal services – Older Adult Day Care &amp; Elder Group</b> Additional savings projected from improved utilisation of internal day care facilities at the Council's 4 Care Centres and existing Day centres.	(0.024)	(0.024)	(0.024)	(0.024)
<b>P5-Changes to internal services – Learning Disability Day Care</b> Additional savings projected from improving the utilisation of Council-run day care facilities for people with Learning Disabilities.	(0.099)	(0.099)	(0.099)	(0.099)



Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>P6-Expansion of internal services – Shared Lives</b> Additional savings projected from expanding the number of Shared Lives Placements on offer.	(1.785)	(1.785)	(1.785)	(1.785)
<b>P7-Changes in internal services – Home Care Enablement</b> The proposal is to extend Enablement to existing service users receiving external home care provision so that their packages of care can be reduced by increasing their independence.	(1.480)	(1.480)	(1.480)	(1.480)
<b>P8-Further reduction in Younger Adults Care Packages</b> Additional savings projected through re-assessment of younger adult care packages and encouragement to take either a Shared Lives Placement or a Direct Payment at a lower unit cost.	(8.706)	(8.706)	(8.706)	(8.706)
<b>P9-Joint Adults and Children's approach to transitions</b> The proposal is to establish a joint approach to transitions between Adults & Communities and Children, Young People & Families so that children's social care and adult social care work in a far more integrated way. The Council will also re-assess young people aged 18-25 years who have already moved into adult services.	(1.000)	(1.000)	(1.000)	(1.000)
<b>Abatement of Younger Adults Savings (P2-P9 above)</b> Abatement of Younger Adults Savings (P2-P9 above)	15.000	10.000	5.000	0.000
<b>P11-Previous Proposals assume the fallout of time limited resources</b> Fall out of a time-limited savings proposal	2.167	2.167	2.167	2.167
<b>P14-Step 1: Public Health – Commissioning</b> Full year effect of fallout of non-recurring contract costs and liabilities and costs of recommissioning.	(1.250)	(1.250)	(1.250)	(1.250)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>P15-Step 2: Public Health – Decommissioning</b> Full year effect of savings from recommissioning of Substance Misuse and Sexual Health services.	(3.315)	(3.315)	(3.315)	(3.315)
<b>P16-Joint working with the NHS (Better Care Fund)</b> Funding from the Government's Better Care Fund Programme has been built into existing plans up to 2016/17 (the figures represent movements from the 2015/16 budgeted level). Further Health and Social Care integration is planned for the future and is detailed in a new saving which is described in MIA10.	(2.339)	6.061	6.061	6.061
<b>P21-Education Capital Financing</b> This is the reduction in the 2015/16 saving, involving the treatment of schools maintenance expenditure. From 2017/18 onwards the Council will be investigating a range of options for delivering this saving on an on-going basis, including contributions from reduced PFI contract costs.	4.700	4.700	4.700	4.700
<b>P26-Public Health-mainly lifestyles recommissioning</b> This saving is the full year effect of the saving identified in 2015/16 which proposed that we re-commission some of the contracts we have and change the specification of others. The key changes considered were: <ul style="list-style-type: none"> <li>• Targeting 'lifestyle services' (such as stop smoking, weight management and physical activity services) at those who will benefit most from them, rather than offer the same service to everyone</li> <li>• Changes to the school nursing service</li> <li>• Focussing any new investments on early years, promoting independence in the elderly, especially after a fall, and getting people with enduring mental health problems back to work</li> </ul>	(1.215)	(1.215)	(1.215)	(1.215)
<b>Subtotal Existing Plans</b>	<b>(5.071)</b>	<b>(1.671)</b>	<b>(6.671)</b>	<b>(11.671)</b>

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>New Plans</b>				
<b>CC24 Reducing the affordability gap to the Council resulting from existing BSF schools contracts</b> The Building Schools for the Future (BSF) Programme provided Capital Grant Funding. We were required to ensure that each Design and Build project was supported by a Facility Management (FM) arrangement where a 3rd party organisation runs the building on the School/Academies behalf. The cost of the FM contracts are met by the Council and each School/Academy contributes its former premises related budget to support the arrangement. However, these budgets do not meet the full cost of the contract. As a consequence there is a cost to the Council. It is proposed to re-scope services within each of the contracts.	(0.700)	(0.700)	(0.700)	(0.700)
<b>MIA10 Redesign and integrate services at scale across the health and social care economy</b> Last year, the Government launched the Better Care Fund and the City Council and the 3 Clinical Commissioning Groups agreed a plan to improve health and social care for older people in the City. The Better Care Fund proposals last year included savings through the efficiency of joint working in 2015/16 and 2016/17. The first part of this proposal takes into account that further savings are likely to be made in 2017/18 and future years if these arrangements continue. The City Council needs to meet its statutory responsibilities in relation to adult social care as embodied in the Care Act 2014, but with a much reduced budget. The second stage of this proposal is essentially about trying to achieve this by jointly pooling/combining the entire Council spend on older adults, not just on adult social care, with all relevant NHS spend.	(20.000)	(50.000)	(60.000)	(60.000)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA12 Improving the Customer Journey</b> Support social work staff in Assessment and Support Planning to be as efficient as possible in making sure every citizen has their adult social care needs met in the best way.	(0.500)	(0.900)	(1.954)	(1.969)
<b>MIA14 Introduce charges for Telecare and reducing spend on joint equipment contracts</b> Equipment may only be provided based on assessed need. This proposal may also mean the removal of the free telecare service to the majority of citizens.	(1.600)	(1.600)	(1.600)	(1.600)
<b>MIA16 Internal Care Review - Occupational Therapy</b> The Council is proposing to bring together both the Adult's and Children's Occupational Therapy teams into one service.	(0.020)	(0.020)	(0.020)	(0.020)
<b>MIA17 Internal Care Review - Home Care Enablement</b> Exploring opportunities to work closer with our NHS partners in the development of future enablement services and to explore opportunities to deliver 'enablement' in different ways through different providers.	(1.500)	(1.500)	(3.700)	(3.700)
<b>MIA18 Internal Care Review - Care Centres</b> The Council feels that it cannot provide residential care for older adults in the Care Centres in a way which represents value for money when compared to providers of similar services within the care market. In order to ensure that it achieves better use of the public purse it must now explore alternative options for their future operation.	(0.300)	(0.700)	(1.500)	(1.500)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA2 Design and Implement a new approach to Special Educational Needs and Disabilities and move away from a high dependency model</b> The Council is proposing a long-term, wide-ranging development of the services to children with special educational needs. This would involve working with the children, families, and partner organisations to design and implement the optimum approach to these services shaped by the use of shared data and intelligence, learning and best practice. This may include commissioning of new services, changes to the way services are delivered, and potentially de-commissioning of services. The intention would be to give children with special educational needs services which help them to prepare for adulthood so that they will have the best possible level of independence into later life.	0.000	0.000	0.000	(10.000)
<b>MIA20 Internal Care Review - Older Adult Day Care</b> Birmingham City Council intends to reorganise its internally provided services so that people may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	(0.218)	(0.345)	(0.510)	(0.510)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA21 Internal Care Review - Learning Disability Short Breaks</b> Birmingham City Council intends to reorganise its internally provided services so that adults may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	(0.192)	(0.364)	(0.364)	(0.364)
<b>MIA3 Promote independent travel and reduce reliance on council funded transport, underpinned by clear policy</b> We propose to work with families and young people to develop travel solutions that enable the child or young person to access education in the same way that members of their peer group who do not have special educational need or disability would access their education. This includes travelling independently for young people and family based travel solutions for younger children. We want to actively encourage children and young people's independence which can result in them developing a skill for life and will help to develop their confidence and social skills as well as increase their future options for continuing education/training and employment.	(2.463)	(2.634)	(2.634)	(2.854)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA30 Homelessness</b> We are proposing to make further changes to the service to improve the Council's services for homeless households in Birmingham. This will include two changes: a review of existing staffing structures, including a small reduction in the number of posts; an increase in the income secured through the letting of Temporary accommodation; and closer joint working with other Council services, particularly Landlord Services.	(0.550)	(0.550)	(0.550)	(0.550)
<b>MIA31 Public Health</b> The Government has announced significant reductions in the underlying level of the Public Health grant. We estimate that the impact of these changes will be a reduction of £7.7m in 2016/17 rising to £10.1m in 2017/18 with the prospect of further reductions as a result of changes to the formula which is used to allocate grant to local authorities. This will severely limit the number of areas of health prevention activity which can be funded by the Council. Detailed proposals will depend on further Government announcements which are expected over the next month. However, we anticipate that it will be necessary to reduce expenditure particularly in Lifestyle services such as weight management, smoking cessation, and promotion of healthy living, including the Wellbeing Service. We may also have to cease funding a range of services provided largely by the voluntary sector to support the 'Early Help Offer' to families.	0.000	0.000	0.000	0.000

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA5 Internal Care Services - Younger Adults Day Care</b> Birmingham City Council intends to reorganise its internally provided services so that people may choose to buy these or different community based services which meet their assessed needs. Birmingham City Council is committed to developing services for people that help them to live as independently as possible, exercising choice and control over the planning and delivery of the support they need. In the short term we intend to make better use of spare capacity in these services. We intend to undertake a detailed piece of work to identify which centres we propose to close. We intend to consult further once these proposals have been developed.	(0.702)	(1.113)	(1.288)	(1.288)
<b>MIA7 Health &amp; Prevention</b> This proposal is about reducing the need and therefore the demand for long term care services. The Council will encourage the development of a number of health and prevention schemes which aim to support people to live independently for as long as possible and help reduce the long term reliance upon support from Council services.	0.000	(0.238)	(0.484)	(0.489)
<b>MIA8 Older Adults Offer</b> In line with the Care Act and new ways of thinking we need to consider our policy 'A Fair Deal in Times of Austerity' and its implications over the forthcoming years – for example we need to be explicit about what this means for citizens and their responsibilities.	0.000	0.000	(0.957)	(2.098)
<b>P10 Reduction in Adults Running Costs</b> For a number of years the Council has been seeking to ensure that the administration and management of all services is as efficient as possible. This means continually reviewing spend on supplies and services, transport and premises costs and indirect employee costs.	(1.111)	(1.111)	(1.111)	(1.111)



Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>P17 Step-up of savings re: Third Sector Commissioning and Supporting People</b> We propose to re-commission services provided through the third sector, reduce funding for housing support services to people with physical or sensory disabilities by 50%, and commission a redesigned Supporting People 'Disability housing support service'.	(3.400)	(4.500)	(4.500)	(4.500)
<b>P22 Step up of previous Early Years savings</b> On 30th November 2015 a consultation including plans for a new model for delivering a more joined up Early Years offer to support parents and young children was launched. The new services are planned to be in place by 1st September 2017. The savings shown here are the increases in savings which have been built into previous consultations. These savings will be achieved through a review of services pending the wider review.	(1.000)	(5.100)	(5.100)	(5.100)
<b>PFB1 Resilient Families</b> By improving our early help and social work service we propose to support more children to live safely and thrive at home. We propose doing this by providing support to our staff to work creatively with disadvantaged families to bring about positive change. Where children do have to come into care, we will provide more local foster placements and we will speed up the process of children in care finding permanent families.	(0.705)	(3.667)	(5.247)	(8.636)
<b>PFB2 Improved processes and productivity</b> By supporting staff better through supervision, staff development, manageable caseloads and a learning culture we propose to reduce reliance on agency staff and manage a staff vacancy factor (turnover rate) of 4% for specific groups of staff.	0.000	(1.964)	(1.964)	(1.964)
<b>Subtotal New Plans</b>	<b>(34.961)</b>	<b>(77.006)</b>	<b>(94.183)</b>	<b>(108.953)</b>
<b>Total People Plans</b>	<b>(40.032)</b>	<b>(78.677)</b>	<b>(100.854)</b>	<b>(120.624)</b>

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PLACE DIRECTORATE</b>				
<b>Existing Plans</b>				
<b>E10-Old Rep</b> This is the full year effect of a new operator taking over the theatre.	(0.126)	(0.126)	(0.126)	(0.126)
<b>E13-City Centre Management</b> City Centre Management will become one of self-financing purely strategic support e.g. Business Improvement District support and cease the City Council's net funding contribution	(0.145)	(0.145)	(0.145)	(0.145)
<b>E17-Marketing Birmingham</b> We are proposing to refocus the Service Level Agreement the Council holds with Marketing Birmingham. This will prioritise inward investment services at the expense of services to support the visitor economy.	(0.170)	(0.346)	(0.346)	(0.346)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>E27-Library of Birmingham/ Strategic Library Services</b> This is the full year effect of a saving identified in 2015/16 where we proposed to reduce: <ul style="list-style-type: none"> <li>- the number of staff and services at the Library of Birmingham, yet maintain collection management for the photographic and archival/literature collections, and support for children's reading initiatives.</li> <li>- the opening hours from 73 to 40</li> <li>- the support we give to community libraries.</li> <li>- introduce a dual fee (reduced rate inside the City) for the loan of choral and orchestral sets.</li> </ul> We are also looking at the amount we spend on new books. We are proposing to spend less on renewing our stock and will consider a range of options for renewing stock and mobile library service provision in future years. We will continue to keep the library at home list closed to new applications.	(1.800)	(1.800)	(1.800)	(1.800)
<b>E28-Support to Museums and Heritage</b> This is the fallout of transition costs to reduce staffing at museums, increase fundraising and introduce new arrangements for management of Heritage sites.	(0.250)	(0.250)	(0.250)	(0.250)
<b>E29-Support to the Arts E38 - Borrowing from Reserves - Arts</b> In 2016-17, it is proposed to work with the arts organisations to achieve phased reductions in the City Council's contribution to the "culture pound". The majority of this step-up is being made in 2016-17 through reduced allocations to organisations and programmes, leaving the balance of around £250k to be made from staffing reductions. The first two years of this saving are shown net of a repayment of borrowing from reserves.	(0.827)	(2.500)	(3.500)	(3.500)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>E30-Major Events</b> For major events, it is proposed to reduce the budget and to fund the eight major events which are contractual, or near-contractual commitments.	(0.352)	(0.331)	(1.802)	(1.802)
<b>PL9-FWM – Street Cleansing Awareness Programme</b> This step-up is the full year effect of the saving identified during the 2015/16 process which proposed to promote and develop awareness initiatives to reduce the level of refuse generated, improve recycling and to reduce landfill.	(0.100)	(0.100)	(0.100)	(0.100)
<b>PL10-Highways – Floral Decorations</b> This saving is the full year effect of the saving proposed during the 2015/16 budget setting process where we proposed a reduction in shrub beds with no amenity value and hanging baskets in the City Centre.	(0.055)	(0.055)	(0.055)	(0.055)
<b>PL11-Residual Savings on Operating Costs across the Directorate</b> Savings to be made across the Directorate as a result of previous years' Business Transformation Efficiency Programmes.	(0.169)	(0.169)	(0.169)	(0.169)
<b>PL12-Parks &amp; Nature – Allotments Service</b> The proposals will ensure that the service is delivered on a self- financing basis following consultation with Birmingham and Districts Allotments Confederation (BDAC).	(0.005)	(0.005)	(0.005)	(0.005)
<b>PL16a,b&amp;c-Bereavement Services</b> We are continuing our 3 year fees strategy approved in March 2015. The increase in charges will be 2% and 9% for burials/cremations. We are also rephasing the development of Sutton New Hall Cemetery to 2016/17	0.060	(0.320)	(0.320)	(0.320)
<b>PL17-Coroner and Mortuary</b> We are proposing to continue the process of controlling costs and renegotiate contracts for such services as toxicology and transport of deceased.	(0.095)	(0.095)	(0.095)	(0.095)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PL19-Licensing</b> This step-up is the full year effect of the saving identified during the 2015/16 process which proposed to ensure that all eligible costs are recovered through proposed fees & charges for services relate to hackney carriage, private hire and entertainment/general licensing ( note that some of the fees and charges are set by central government). The local authority is required to ensure that only costs that are associated with the licensing scheme are covered by the licensing charges.	(0.185)	(0.185)	(0.185)	(0.185)
<b>PL20-Birmingham Careers Service (Connexions)</b> We are proposing to focus the service on young people not in employment, education or training (NEET), signposting others to alternative services. We are further developing our approach to helping all young people into employment and training through the Birmingham Youth Promise.	(0.131)	(0.265)	(0.265)	(0.265)
<b>PL22-Flood Risk Services</b> We are revising our flood risk management strategy to ensure that this will deliver and comply with statutory obligations. The savings are consistent with the strategy approved in March 2015 as part of the City Council's Business Plan.	(0.106)	(0.106)	(0.106)	(0.106)
<b>PL24-Private Sector Housing</b> We are using part of the Affordable Homes element of New Homes Bonus to support staff costs incurred delivering the empty homes strategy.	(0.047)	(0.047)	(0.047)	(0.047)
<b>PL25-New Homes Bonus</b> We are reducing the "affordable housing" element of New Homes Bonus allocated for housing investment (substantially support to Birmingham Municipal Housing Trust programme).	(0.052)	(0.105)	(0.105)	(0.105)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PL27-Community Events</b> This is a continuation of the existing strategy to withdraw subsidies from all community events, except the Lord Mayor's show, and to reduce the number of employees, and this represents a step up for 2015/16. Events will continue to be supported in kind but from reduced officer resources.	(0.167)	(0.167)	(0.167)	(0.167)
<b>PL29-Sport</b> We are proposing to <ul style="list-style-type: none"> <li>• Focus on delivering health outcomes, which will enable the service to continue receiving support from the Public Health Service</li> <li>• Reduce back office support once new technology is in place from 2016 onwards.</li> </ul>	(0.088)	(0.088)	(0.088)	(0.088)
<b>PL30-Community Safety and Equalities</b> We are continuing our strategy to deliver the saving by reducing external commissioning, operational costs and staff savings in mainstream Equalities and the Safer Places Teams. This will include vacancy management.	(0.322)	(0.322)	(0.322)	(0.322)
<b>PL36-Highways Customer Support Unit</b> We are reducing the overheads from the Security Service supporting the Highways and Resilience Service	(0.021)	(0.042)	(0.042)	(0.042)
<b>PL37-Voluntary Sector Advice</b> This fall out of one-off savings will contribute towards the provision of service as per the new future operating model	0.020	0.020	0.020	0.020
<b>PL38-Use of Reserves</b> Fall out of the use of Reserves on a one-off basis in 2015/16	2.000	2.000	2.000	2.000
<b>PL39-Staffing Reductions across the Directorate</b> The fall out of one-off savings in 2015/16	0.150	0.150	0.150	0.150
<b>PL40c-Community Development</b> These savings will be delivered through the cessation of the provision of existing community play services and attempts will be made to secure delivery of alternative arrangements in the private and voluntary sector	(0.248)	(0.248)	(0.248)	(0.248)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PL40e-Neighbourhood Advice</b> These savings will be delivered through the development of a new operating model that focuses on 4 homelessness hubs to ensure that our statutory obligations are delivered	(0.216)	(0.216)	(0.216)	(0.216)
<b>PL40f-Youth Services</b> These savings will be delivered through a combination of rationalisation of buildings and staffing restructure as part of a new operating model	(0.600)	(0.600)	(0.600)	(0.600)
<b>PL40ga-Car Parks</b> These savings will be delivered through a combination of a review of fees and charges at existing car parks and a review of the existing car parks, retaining those that are viable and selling those that are deemed to be non viable.	(0.019)	(0.039)	(0.039)	(0.039)
<b>PL40gb-Your City Your Birmingham</b> These savings will be delivered through the cessation of the provision of existing Your City Your Birmingham services	(0.002)	(0.003)	(0.003)	(0.003)
<b>PL40gc-CityWide</b> These savings will be delivered from a review of existing staffing structures within the Senior Management and Business Support functions of the former District Services	(0.014)	(0.028)	(0.028)	(0.028)
<b>PL40gd-Community Arts</b> These savings will be delivered through the cessation of the provision of existing community arts service	0.000	(0.001)	(0.001)	(0.001)
<b>PL40ge-Business Support</b> These savings will be delivered from a review of existing staffing structures and non-employee budgets within the Senior Management and Business Support functions of the former District Services	(0.172)	(0.172)	(0.172)	(0.172)
<b>PL40gf-District Support</b> The reduction in savings from 2015-16 will be used to mitigate the savings delivered by Citywide Services (Senior Management) and Business Support functions of the former District Services	0.012	0.025	0.025	0.025

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>PL40gg-Engineers</b> The savings will be delivered by generating additional income	(0.016)	(0.032)	(0.032)	(0.032)
<b>PL40gh-Ward Support</b> These savings will be delivered from a review of existing staffing structures	(0.019)	(0.038)	(0.038)	(0.038)
<b>Subtotal Existing Plans</b>	<b>(4.277)</b>	<b>(6.751)</b>	<b>(9.222)</b>	<b>(9.222)</b>
<b>New Plans</b>				
<b>CC27 Open for Learning, which includes a major programme to redesign and rationalise local assets to deliver service focus not asset focused approach</b> We propose to bring together our services and those services delivered by our partners to reduce the amount we spend on buildings. This will mean we will probably dispose of some of our council-owned buildings so we can minimise the impact on front-line delivery. We will also explore how far we can reduce the amount of space it takes to deliver the services by working in partnership and by using technology differently. This approach means that libraries, adult education and early years services in the future will need fewer separate buildings.	(0.300)	(2.688)	(5.688)	(10.688)
<b>CC30 Affordable Homes element of New Homes Bonus grant</b> A reduction in the support that is provided for the development of new affordable and social housing schemes (the empty property team will be protected and will be unaffected).	(0.500)	(0.500)	(0.500)	(0.500)
<b>EGJ6 Creating a more balanced financial strategy for arts and culture shaped and funded by a wider range of partners and stakeholders</b> We propose to reduce the funding from the council to arts and culture from 2017/18.	0.000	(0.250)	(0.500)	(0.500)



Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>EGJ7 Create a commercial model for business support</b> We do not have a legal duty to offer advice to businesses, but it has traditionally formed part of our role and has been offered free of charge. We propose the creation of a small unit to offer paid-for advice and support to businesses and other local authorities, across the range of services delivered by Trading Standards, Licensing and Environmental Health. Support could include training courses or one to one advice.	(0.028)	(0.060)	(0.080)	(0.100)
<b>EGJ8 Create a West Midlands-wide trading standards service</b> Our proposal is to approach the six other district councils in the West Midlands with a view to creating a West Midlands-wide trading standards service, with effect from 1st April 2018. A saving has been identified in terms of management overheads.	0.000	0.000	(0.050)	(0.050)
<b>EGJ9 Broadening the income base for Marketing Birmingham</b> It is proposed to reduce the cost to the City Council of the contract with Marketing Birmingham through broadening the income base to include contributions from other organisations.	0.000	(0.250)	(0.500)	(0.500)
<b>MIA13 To integrate independent living services with enablement services to enable the co-ordination and provision of major adaptations with other care and support assessments</b> To move the Independent Living Service (currently in Place Directorate) into Enablement Services (People Directorate). This will improve the coordination of assessment and provision of major adaptations (to residents' homes) and provide alternative care and support services.	(0.020)	(0.020)	(0.020)	(0.020)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>MIA6 Homelessness: licensing and enforcement in the private rented sector</b> We propose to make more information and advice available online for tenants and landlords. Access to direct phone support will therefore be restricted to high priority cases in an attempt to reduce the demand for telephone and face to face support. This will help us to refer tenants seeking help to appropriate agencies or to use online material to request landlords to carry out repairs, and enable us to focus on high priority cases.	(0.031)	(0.031)	(0.031)	(0.031)
<b>PL31 Emergency Planning and CCTV</b> We are proposing to reduce the number of staff that monitor CCTV.	(0.379)	(0.379)	(0.379)	(0.379)
<b>SN11 Reduce Reuse Recycle - Garden waste - opportunity to improve productivity and increase revenue</b> We propose to improve the efficiency of the service by improving green waste collection rounds and increasing the number of households that purchase the service. There are no proposals to increase the price of the service in 2016/17, however a price increase of £5 to £40 is proposed for 2017/18.	(0.160)	(0.470)	(0.470)	(0.470)
<b>SN12 Young Active Travel</b> We will maintain the current level of the school crossing patrol service, but will evaluate a range of options, including setting up a Trust, to reduce the costs to the Council. We will seek opportunities for identifying external sources of funding. Councillors, schools, parents and communities will work together to develop their active School Travel Plans, including the development of other safety measures and travel plans.	(0.500)	(0.881)	(0.881)	(0.881)
<b>SN13 Reduce number of play areas</b> We are proposing to amend the play policy by increasing the distance to provide a play area to within 800 metres of every dwelling.	0.020	(0.040)	(0.040)	(0.040)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN14 Disposal of local Council Car Parks or cover their costs through charges</b> We propose 3 changes: (1) An increase in the current tariff of charges for existing local Pay & Display car parks (2) The introduction of Pay & Display charges at currently free car parks (3) A small number of local car park disposals may be considered where the parking demand is low	(0.050)	(0.050)	(0.050)	(0.050)
<b>SN15 Reduce Reuse Recycle - Align Clinical Waste collections with NHS policy</b> We propose that either the NHS takes responsibility for collection of hazardous clinical waste, or that it pays us to collect it. Both proposals will be discussed with the NHS.	0.000	(0.140)	(0.140)	(0.140)
<b>SN16 Reduce Reuse Recycle - Discourage traders from illegal use of the council's household recycling centres (HRCs)</b> To reduce the amount of illegal trade waste at household recycling centres and the costs of this, we propose to provide separate commercial waste facilities for businesses to pay to bring in trade waste. These will be provided at existing HRC sites. Enforcement of these arrangements will be carried out by the Council's contractor.	(0.094)	(0.094)	(0.094)	(0.094)
<b>SN17 Reduce Reuse Recycle - Reduce imported waste costs</b> We are proposing to charge non-Birmingham residents for using the Council's household recycling facilities and introduce better identification processes, such as Automatic Number Plate Recognition, to identify non-Birmingham residents and prevent them from using the City Council's household recycling centres without paying. These will reduce costs by reducing the amount of waste that Birmingham City Council has to process and dispose of.	(0.391)	(0.391)	(0.391)	(0.391)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN18 Reduce Reuse Recycle - Passing initial cost of bins, waste collection and recycling onto the developers of new estates/house builders</b> We are proposing to change Local Planning Policy to require that where a new estate / road is being built, the Developer has to provide individual or possibly street-based communal facilities for the storage of waste and recycling.	(0.180)	(0.180)	(0.180)	(0.180)
<b>SN19 Transfer Queslett landfill site to alternative ownership</b> We are proposing to transfer Queslett landfill site to alternative ownership. This would reduce the responsibility of the Council to staff and maintain the site.	(0.269)	(0.269)	(0.269)	(0.269)
<b>SN20 Redesign street cleansing and a combination of enforcement, education and community marketing to encourage residents and businesses to keep streets/footpaths tidy</b> Currently, the city's streets are cleaned the day after refuse and recycling collections. We are proposing to revise the street cleaning plans according to when it is required.	(1.500)	(1.500)	(1.500)	(1.500)
<b>SN21 Removal of Universal Superloos</b> We are proposing to stop providing 'universal superloos' from 2016/17.	0.000	(0.276)	(0.276)	(0.276)
<b>SN24 Provide above ground mausoleums and vaults in cemeteries that are closed for new burials</b> We propose 4 changes to the service: <ol style="list-style-type: none"> <li>1. The installation of above ground Mausoleums</li> <li>2. Installation of Vaults</li> <li>3. Digitisation of records</li> <li>4. Booking system made available online</li> </ol>	0.064	0.041	(0.168)	(0.168)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN26 Discontinue Non Framework Contract at Health and Wellbeing Centres</b> The council intends to withdraw from or no longer fund the following sites in April 2016: <ul style="list-style-type: none"> <li>• Colmers Community Leisure Centre</li> <li>• Bartley Green Community Leisure Centre</li> <li>• Great Barr Community Leisure Centre</li> <li>• Hamstead Pavilion.</li> </ul> In addition, we propose that: <ul style="list-style-type: none"> <li>• When the new Sparkhill Pool opens in 17/18, Moseley Pool and Court Road Fitness Centre will close,</li> <li>• When the new Northfield pool opens in 18/19, Tiverton Road Pool will close, and</li> <li>• When Icknield Port Loop Pool opens in 19/20, Aston Newtown Pool will close.</li> </ul>	(1.410)	(1.750)	(2.310)	(2.500)
<b>SN28 Reduction in costs (Parks)</b> We are proposing to restructure the management of the Parks Service and the associated trading activities, and continue to manage and maintain the Council's green estate.	(0.300)	(0.300)	(0.300)	(0.300)
<b>SN31 Offer the Trekking Centre to the market as a franchise opportunity</b> We are proposing to offer the Trekking Centre to the market as a franchise opportunity.	(0.018)	(0.036)	(0.036)	(0.036)
<b>SN32 Income Generation from Cofton Nursery</b> The Cofton Nursery re-development is scheduled to start early in 2016/17 and the site will be closed for operations during a significant part of the year. During this time savings will be achieved through reduced costs and redirecting resources into other activities. When the re-developed nursery becomes operational savings will be achieved through additional income and a more efficient operation.	(0.306)	(0.306)	(0.306)	(0.306)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN38 Cease all investigations into dog cruelty matters</b> The proposal is that the Council will no longer investigate or accept complaints relating to the ill treatment of dogs from the 1st April 2016. It is not our legal duty to provide this service. In most other areas of the country, this is done by dog charities, in particular the RSPCA. We will refer people who have a complaint to animal welfare charities.	(0.024)	(0.024)	(0.024)	(0.024)
<b>SN4 Extend parking charges at parks</b> We propose extending the current car parking scheme at Sutton Park; charging all year round instead of only during the summer months, We also plan to introduce charges at other sites including Cannon Hill Park, Lickey Hills Country Park, Rectory Park, Victoria Common, Perry Park, and Edgbaston Reservoir. This will generate income for the council. The parking schemes will be managed by an external contractor.	(0.020)	(0.020)	(0.020)	(0.020)
<b>SN40 Evaluate options for extending the range of the Council's rented property offer</b> The proposal is to extend the current role of the internal housing company, to build or acquire further new homes. It will look at the different options for how the Council increases its range of rented properties.	(0.300)	(1.600)	(2.900)	(3.000)
<b>SN42 Increase income generation from golf contract</b> Increased income will be generated from the golf contract.	(0.136)	(0.250)	(0.250)	(0.250)
<b>SN43 Community leisure centres</b> We propose to renegotiate the contract to generate savings.	(0.238)	(0.208)	(0.338)	(0.693)
<b>SN44 Reduction in costs (Sport)</b> We have identified additional savings following outsourcing.	(0.320)	(0.320)	(0.320)	(0.320)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN45 Disposal of unwanted/under utilised parks land (8 acres per year)</b> It is proposed that the Parks Service disposes of unwanted or underused land. It is proposed that 8 acres per annum, for the next four years, will be transferred to our Housing service for them to build more new homes.	(0.200)	(0.400)	(0.600)	(0.800)
<b>SN50 Community Safety</b> It is proposed to secure funding from the community safety fund to partially fund the public realm CCTV and the safer places team that works locally with partners to deliver the community safety programme.	(0.800)	(0.800)	(0.800)	(0.800)
<b>SN51 Vehicle Fleet and Depots Improvement</b> A rationalisation of the operational facilities and optimising the use of our vehicle fleet (minimising the downtime of vehicles and optimising the routes to reduce fuel and repair costs).	(0.500)	(1.000)	(1.500)	(1.500)
<b>SN6 Reduce Reuse Recycle - Reconfiguration of waste collection services including review management arrangements for waste collection service once current waste disposal contract expires in 2019</b> We will review our options ready for contract end in 2019, including considering potential market testing as part of the new contract after 2019 for the Street Cleaning and Waste/Refuse Collection services. We will also make some savings related to the mortgage on the incinerator. We will also reduce the amount of waste being disposed of.	(0.500)	(0.800)	(3.025)	(17.600)

Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>SN7 Reduce Reuse Recycle - Reduce failures/failed waste collections</b> We are proposing two changes to ensure that we collect the bins that are put out and that our waste and recycling collections are planned in the most efficient way: 1. The introduction of new technology will allow us to better track and monitor how our bins are collected and to ensure that the routes around the city that our crews take are being planned and monitored efficiently. This will enable us to maximise the productivity of crews and vehicles with appropriate round sizing taking into account terrain, property type, presentation points and assisted collections. 2. The use of technology and data systems to verify that collections have been correctly completed and that any claims of missed collections are justified.	(3.082)	(3.164)	(3.164)	(3.164)
<b>Subtotal New Plans</b>	<b>(12.472)</b>	<b>(19.406)</b>	<b>(28.100)</b>	<b>(48.540)</b>
<b>Total Place Plans</b>	<b>(16.749)</b>	<b>(26.157)</b>	<b>(37.322)</b>	<b>(57.762)</b>
<b>CORPORATE</b>				
<b>New Plans</b>				
<b>CC4 Stop colour printing</b> Stop colour printing	(0.250)	(0.250)	(0.250)	(0.250)
<b>CC19 Revenue Services Transformation Programme to reduce Revenues Contract price further with Service Birmingham</b> The Council is working with Service Birmingham to identify ways to reduce the contract price relating to the collection cost of BIDs income from 2016/17 until the end of the contract in 2021.	(0.146)	(0.110)	(0.050)	(0.030)



Description	2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
<b>WOC1 Workforce proposals requiring changes to terms and conditions</b> We will review the terms & conditions of our employees to reduce the costs of employment whilst ensuring that there remains a core offer that is fair, legally compliant and aligned to our Living Wage City commitment. We propose to consult with staff and Trades Unions around a package of changes that could include: a new deal on holidays, more flexible working, increasing the number of hours in the working week, reducing sick pay and other changes that may impact pay.	0.000	(15.000)	(18.000)	(18.000)
<b>WOC2 Improving efficiencies</b> We want to make sure that all services have clear plans regarding how they spend money on workforce costs. This is so the Council can better manage spending on the use of resources such as: agency workers, consultants and casual workers. We also want to create more opportunities for local people through the expansion of our apprenticeship and intern schemes. Whilst we need to reduce our costs of employment we also need to ensure that we remain competitive and comparable with modern working practices and that we can continue to recruit and retain the best employees, so that we can provide excellent services to our citizens. We will do this by enabling more employees to be able to work agilely, and support them to develop their skills, experience and careers.	(10.560)	(13.994)	(15.881)	(16.281)
<b>Subtotal New Plans</b>	<b>(10.956)</b>	<b>(29.354)</b>	<b>(34.181)</b>	<b>(34.561)</b>
<b>Total Corporate Plans</b>	<b>(10.956)</b>	<b>(29.354)</b>	<b>(34.181)</b>	<b>(34.561)</b>
<b>Total Savings</b>	<b>(88.210)</b>	<b>(163.336)</b>	<b>(210.653)</b>	<b>(251.245)</b>

## APPENDIX 7: REVENUE BUDGET

### Revenue Budget for City Council Services - Gross Expenditure

	Adjusted 2015/16 Budget £m	2016/17 Budget £m
<b>Directorate</b>		
Corporate Resources	666.221	660.222
Economy	154.289	147.145
People	1,623.841	1,587.138
Place (excluding Housing Revenue Account)	230.521	205.527
<b>Total Directorate Expenditure</b>	<b>2,674.872</b>	<b>2,600.032</b>
Corporately Managed Budgets	137.689	139.520
Contingencies	39.657	54.469
<b>Total Expenditure on Services</b>	<b>2,852.218</b>	<b>2,794.021</b>
Corporate Contribution to Reserves	8.465	8.681
Corporate Repayment of Borrowing from Reserves	11.078	2.535
Contribution to General Balances	1.500	1.500
<b>Total General Fund Expenditure</b>	<b>2,873.261</b>	<b>2,806.737</b>
Housing Revenue Account	289.957	287.035
<b>Total Gross Expenditure</b>	<b>3,163.218</b>	<b>3,093.772</b>

## Revenue Budget for City Council Services - Gross Income

	Adjusted 2015/16 Budget £m	2016/17 Budget £m
<b>Directorate</b>		
Corporate Resources	(619.109)	(626.953)
Economy	(87.324)	(87.911)
People	(1,127.386)	(1,116.483)
Place (excluding Housing Revenue Account)	(85.145)	(74.101)
<b>Total Directorate Income</b>	<b>(1,918.964)</b>	<b>(1,905.448)</b>
Corporately Managed Budgets	(3.850)	(16.666)
Corporate Grants	(31.986)	(31.575)
<b>Total Income from Services</b>	<b>(1,954.800)</b>	<b>(1,953.689)</b>
Corporate Use of Reserves	(42.263)	(13.540)
Corporate Borrowing from Reserves	(1.657)	(4.227)
<b>Total General Fund Income</b>	<b>(1,998.720)</b>	<b>(1,971.456)</b>
Housing Revenue Account	(289.957)	(287.035)
<b>Total Gross Income</b>	<b>(2,288.677)</b>	<b>(2,258.491)</b>

## Revenue Budget for City Council Services - Net Expenditure

	<b>Adjusted 2015/16 Budget £m</b>	<b>2016/17 Budget £m</b>
<b>Directorate</b>		
Corporate Resources	47.112	33.269
Economy	66.965	59.234
People	496.455	470.655
Place (excluding Housing Revenue Account)	145.376	131.426
<b>Total Directorate Net Expenditure</b>	<b>755.908</b>	<b>694.584</b>
Corporately Managed Budgets	133.839	122.854
Contingencies	39.657	54.469
Corporate Grants	(31.986)	(31.575)
<b>Total Net Expenditure on Services</b>	<b>897.418</b>	<b>840.332</b>
Corporate Use of Reserves	(33.798)	(4.859)
Corporate Net Borrowing from Reserves	9.421	(1.692)
Contribution to General Balances	1.500	1.500
<b>Total General Fund Budget</b>	<b>874.541</b>	<b>835.281</b>
Housing Revenue Account	<b>0</b>	<b>0</b>
<b>City Council Budget</b>	<b>874.541</b>	<b>835.281</b>

## Revenue budget for City Council Services - Subjective Analysis

	Adjusted 2015/16 Budget £m	2016/17 Budget £m
Employees	1,039.621	1,007.910
Premises	195.408	197.550
Transport	32.383	27.787
Supplies & Services	592.279	566.348
Grants to Voluntary Organisations	43.016	31.655
Third Party Payments	501.503	498.725
Transfer Payments	555.207	552.651
Capital Financing	288.683	279.350
Recharge Expenditure	234.089	264.349
Appropriations to Reserves	23.030	22.818
Recharge Income	(342.001)	(355.371)
<b>Gross Expenditure after Recharges</b>	<b>3,163.218</b>	<b>3,093.772</b>
Grants	(1,632.499)	(1,639.343)
Fees and Charges	(198.068)	(210.578)
Rents	(330.907)	(333.861)
Other Income	(41.426)	(31.655)
Appropriations from Reserves	(85.777)	(43.054)
<b>Gross Income after Recharges</b>	<b>(2,288.677)</b>	<b>(2,258.491)</b>
<b>Net Expenditure</b>	<b>874.541</b>	<b>835.281</b>

## APPENDIX 8: HOUSING REVENUE ACCOUNT

	Year 1 2016/17 £m	Year 2 2017/18 £m	Year 3 2018/19 £m	Year 4 2019/20 £m	Year 5 2020/21 £m	Year 6 2021/22 £m	Year 7 2022/23 £m	Year 8 2023/24 £m	Year 9 2024/25 £m	Year 10 2025/26 £m	Year 1 to 10 Total £m	..... Year 30 2044/45 £m	Year 1 to 30 Total £m
<b>HOUSING REVENUE ACCOUNT</b>													
<b>Income</b>													
Rental Income	(266.709)	(263.680)	(260.080)	(255.936)	(262.190)	(268.661)	(275.275)	(282.096)	(288.988)	(296.101)	(2,719.716)	(478.113)	(10,416.402)
Voids	3.611	3.589	3.560	3.525	3.607	3.691	3.777	3.866	3.956	4.048	37.230	6.308	140.899
<b>Net Rental Income</b>	<b>(263.098)</b>	<b>(260.091)</b>	<b>(256.520)</b>	<b>(252.411)</b>	<b>(258.583)</b>	<b>(264.970)</b>	<b>(271.498)</b>	<b>(278.230)</b>	<b>(285.032)</b>	<b>(292.053)</b>	<b>(2,682.486)</b>	<b>(471.805)</b>	<b>(10,275.503)</b>
Service Charges / Other Income	(23.937)	(24.438)	(24.731)	(25.148)	(25.584)	(26.035)	(26.316)	(26.577)	(26.821)	(27.123)	(256.710)	(31.600)	(848.770)
<b>Total Revenue Income</b>	<b>(287.035)</b>	<b>(284.529)</b>	<b>(281.251)</b>	<b>(277.559)</b>	<b>(284.167)</b>	<b>(291.005)</b>	<b>(297.814)</b>	<b>(304.807)</b>	<b>(311.853)</b>	<b>(319.176)</b>	<b>(2,939.196)</b>	<b>(503.405)</b>	<b>(11,124.273)</b>
<b>Expenditure</b>													
Repairs	65.571	62.967	62.805	63.469	66.239	67.492	68.768	70.067	71.392	72.741	671.511	105.713	2,452.211
Management	60.405	60.197	59.631	58.922	59.284	59.853	61.205	62.587	63.976	65.351	611.411	99.525	2,254.528
Bad Debt Provision	4.169	3.666	3.657	3.650	4.053	4.077	4.098	4.122	4.140	4.165	39.797	4.727	128.603
Equal Pay	8.300	3.900	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	12.200	0.000	12.200
Estate Costs	18.752	19.147	15.476	15.738	16.107	16.452	16.813	17.182	17.549	17.906	171.122	26.753	616.328
Capital Financing - Loan Redemption	1.166	17.381	16.466	10.270	27.916	41.182	45.918	49.752	54.910	60.073	325.034	5.610	720.007
Capital Financing - Interest and Other Costs	53.529	53.629	53.706	52.894	52.348	50.896	48.722	46.696	44.372	42.176	498.968	21.728	1,013.644
Contribution to Capital	75.143	63.642	69.510	72.616	58.220	51.053	52.290	54.401	55.514	56.764	609.153	239.349	3,926.752
<b>Total Revenue Expenditure</b>	<b>287.035</b>	<b>284.529</b>	<b>281.251</b>	<b>277.559</b>	<b>284.167</b>	<b>291.005</b>	<b>297.814</b>	<b>304.807</b>	<b>311.853</b>	<b>319.176</b>	<b>2,939.196</b>	<b>503.405</b>	<b>11,124.273</b>
<b>Net (Surplus) / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>CAPITAL INVESTMENT</b>													
<b>Total Investment</b>	<b>133.463</b>	<b>115.308</b>	<b>98.534</b>	<b>94.298</b>	<b>72.802</b>	<b>61.114</b>	<b>61.978</b>	<b>64.339</b>	<b>65.708</b>	<b>67.221</b>	<b>834.765</b>	<b>258.513</b>	<b>4,443.573</b>
<b>Financing</b>													
Contribution from Revenue	(75.143)	(63.642)	(69.510)	(72.616)	(58.220)	(51.053)	(52.290)	(54.401)	(55.514)	(56.764)	(609.153)	(239.349)	(3,926.754)
Other Resources	(58.320)	(51.666)	(29.024)	(21.682)	(14.582)	(10.061)	(9.688)	(9.938)	(10.194)	(10.457)	(225.612)	(19.164)	(516.819)
<b>Total Expenditure</b>	<b>(133.463)</b>	<b>(115.308)</b>	<b>(98.534)</b>	<b>(94.298)</b>	<b>(72.802)</b>	<b>(61.114)</b>	<b>(61.978)</b>	<b>(64.339)</b>	<b>(65.708)</b>	<b>(67.221)</b>	<b>(834.765)</b>	<b>(258.513)</b>	<b>(4,443.573)</b>
<b>Net (Surplus) / Deficit</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
<b>Borrowing Cap</b>	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420	1,150.420		1,150.420	
<b>Note: Efficiencies included above</b>	<b>(7.285)</b>	<b>(8.433)</b>	<b>(10.214)</b>	<b>(10.953)</b>	<b>(9.614)</b>	<b>(9.820)</b>	<b>(10.031)</b>	<b>(10.247)</b>	<b>(10.469)</b>	<b>(10.697)</b>	<b>(97.763)</b>	<b>(16.692)</b>	<b>(369.651)</b>

## APPENDIX 9: MAJOR SERVICE ASSET AND CAPITAL STRATEGIES

### 1. People

#### Adults and Communities

- 1.1 The Directorate's Capital Strategy supports delivery of care to the most vulnerable adults in the city and the Council's Vision for a happy, healthy population. In particular it will support citizens to have access to fully integrated health and social care services that help maintain independence and provide care to those who need it.
- 1.2 The Council must work with its partners and citizens to make sure the changes being proposed in this strategy and the wider Business Plan are the right ones and the transition to new ways of working is carried out properly. More integrated services and support should be designed around the City's people to help Birmingham citizens and their families look after themselves - not have to rely on formal care.
- 1.3 The Government's Better Care Fund (BCF) which started on 1 April 2015 is delivering a plan developed with health partners for closer joint working around the care of Older People. Capital resources are included in the overall BCF funding and the Council and partners will continue to identify investment opportunities through the joint governance arrangements.
- 1.4 The Council will also work with partners, providers, and citizens to invest in opportunities to provide alternatives to residential care such as Shared Lives, supported living, and use of assistive technology.
- 1.5 The Council continues to review directly provided services to ensure that they are the most appropriate way of meeting citizens' needs and are as effective as possible. Current schemes to review Learning Disability Day Centres and invest in ensuring that facilities comply with care and health and safety regulations will continue.
- 1.6 The Council will make a major investment of £2.7m in its main Social Care ICT system (currently known as Carefirst). This re-commissioning and replacement will improve and simplify workflow processes, remove duplication, integrate a number of standalone systems and provide additional facilities. The Care Act 2014 introduced fundamental changes to the working of Adult Social Care and the new system will support the Council's continuing implementation of these changes and improve joint working with citizens and partners. This will be supported by other ICT schemes and where possible, all developments and changes to the ICT systems will be funded through capital resources.

- 1.7 The Directorate is also responsible for Homelessness services. A scheme for the refurbishment, modernisation and upgrade of three homeless centres is well progressed and will be completed in 2016/17. This will benefit households in crisis to be accommodated with support in appropriate accommodation that meets all statutory requirements and health and safety legislation. It also reduces the dependence of the Council on bed and breakfast accommodation at which no support is provided.
- 1.8 In addition to these specific proposals, the Directorate will also identify opportunities to deliver improved services through the application for and use of specific funding, usually provided through Government Departments or Agencies.

### **Children, Young People and Families**

The CYPF Asset and Capital plan aims to address the following key priorities:

#### **Basic Need Capital programme**

- 1.9 Birmingham is a growing City and the population is getting younger. The City Council has a statutory duty to ensure there are sufficient school places for all Birmingham children and young people. In order to meet this duty, it is essential that the City Council has a robust understanding of the supply of and demand for school places through school place planning, accompanied by a Basic Need Strategy that ensures sufficient school places are provided to meet local need. At its very essence, the Basic Need programme is part of the wider school improvement strategy to deliver our ambition for every Birmingham child to benefit from a great education offer.

Birmingham City Council's proposed investment of £83m for the Basic Need programme covers all school places across mainstream and special schools from the statutory school ages of 4 – 16 and has 4 key strands:

1. Make optimum use of existing space, buildings and sites to provide sufficient, suitable, high quality additional places where needed;
2. Work with Maintained Schools, Free Schools and Academies to meet Basic Need through co-ordinated expansion plans;
3. Allocate annual Basic Need Capital investment effectively and efficiently to areas where basic need requirements can only be met through either re-modelling, refurbishment or new-build projects, ensuring that the needs of our most vulnerable young people are prioritised and capital projects make best use of existing resources;
4. Identify alternative funding sources and models to deliver requirements including Section 106, school contributions, bidding opportunities, Local Co-ordinated Voluntary Aided Programme (LCVAP), Community Infrastructure Levy and future Basic Need allocations.



Education Sufficiency Requirements continue to be published annually setting out the number and location of new places we expect to require and the changes made in the supply of school places. An annual schools capital programme will bring forward proposals for school expansions requiring capital investment. The majority of funding for the programme is from Department for Education (DFE) Basic Need grant, with additional funding streams from school balances, Section 106 contributions and earmarked capital receipts.

Co-ordination of place planning and the schools expansion programme has specific complexities in a landscape where more schools have autonomy to increase the number of places they offer and where central government is delivering the Free Schools and Academies programmes. This means that at times the Council will expand schools temporarily to take additional children at relatively short notice. In the event of local oversupply of places we may also need to halt/limit planned expansions as well as decommission existing school places. In the event of the need to de-commission school places, a policy and process will be developed for consultation to be reviewed annually.

### **1.10 Capital Maintenance**

As owner of the majority of Birmingham schools, the City Council works closely with schools to ensure that Governing Bodies fulfil their obligations in relation to statutory compliance and planned preventative maintenance to improve the condition of school buildings.

Birmingham City Council's proposed investment in schools capital maintenance is £32.2m and the key priorities for the programme are:

- Responding swiftly to emergency repairs and maintenance issues identified in the Asset Surveys.
- Delivery of planned maintenance to address major backlog maintenance issues to reduce emergency repairs and prevent asset failure that will lead to school closure.
- Levering investment from school into condition need through dual funding of priority maintenance projects.
- Working in partnership with schools to fund essential repairs and ensure there is minimal incidence of school closure due to asset failure.
- Levering maximum increased investment into the estate to address condition need and suitability in particular through a) bidding opportunities as they arise b) development opportunities that will lever investment into the education estate. Examples include a bid to the DfE as part of the Priority Schools Building Programme 2 to rebuild 6 schools in the worst condition.

### **1.11 Education Portfolio Management**

Key priorities for the management of the education portfolio are:

1. Reduction in revenue maintenance costs associated with surplus and non-schools assets, in particular unattached school playing fields.
2. Implementing solutions to manage the revenue affordability gap on the maintenance contracts for the PFI and Building Schools for the Future (BSF) schools estate while delivering effective operational contracts management to drive efficiencies.
3. Maximising opportunities for revenue savings from energy efficiency measures.
4. Regularising all lease arrangements on schools and non-schools assets.
5. Advice and guidance to schools on effective asset management (traded service).

### **1.12 Children's Social Care**

Children's Social Care has recently received approval for a third party to operate five mainstream Children's Homes for 2016. However the Council wishes to maintain management of its five Disabled Children's Homes and these may require investment in forthcoming years. The division is currently reviewing its arrangements for public access to case conferences and contact sessions and these may necessitate building solutions needing capital funding. Finally the Youth Offending Service is reviewing its property arrangements and further moves / consolidation of the estate may need capital investment.

### **1.13 Children, Young People & Families ICT**

The Council has worked with the Children's Commissioner, to produce a Children's Social Care Improvement Plan 2014-17 (published 7 July 2014), in order to take forward the key and fundamental changes that are urgently required to improve safeguarding and protection of children.

Part of the improvement plan includes having fit for purpose IT systems to support social work practice. To this end an assessment has been made of the key IT improvements that are required to stabilise and enable the existing services. The cost of implementation will be funded from earmarked capital receipts. This has since been supplemented by an overall strategic review of the whole service including Education which has generated an additional resource requirement. However, funding of any additional priorities will depend on exploiting other funding streams such as Think Family grant.

## 2. Economy

### Strategic Context

- 2.1 The strategy for the Directorate underpins key corporate outcomes, highlighting the investment required to support the delivery of the City Council's significant economic agenda. Objectives include:
- Delivering sustainable growth to meet the needs of the population through transformational change in the city centre and key areas of growth, and developing the city as a series of neighbourhoods that are safe, diverse and inclusive with locally distinctive character.
  - Creating the conditions for a strong and prosperous economy built around a diverse base of economic activities with benefits felt by all.
  - Increasing the city's economic output and productivity through the expansion of key growth sectors, greater enterprise and innovation in high value added activity.
  - Providing high quality infrastructure to support improved local and regional connectivity and accessibility, enhance global competitiveness and underpin future economic and population growth.
  - Increasing employment and reducing poverty across all communities to support people from welfare to work.
  - Creating a vibrant low carbon, low waste economy through the best use of environmental technologies, and ensure that Birmingham is prepared for the impact of climate change.
  - Ensure that the City Council is able to deliver and support all of its objectives through the most efficient use of technology.
- 2.2 The Directorate works with other parts of the City Council along with public and private sector partners to develop an integrated approach to investment to deliver the required growth. This includes working at a local level with the District structures and regionally with other West Midlands authorities and the GBSLEP.
- 2.3 In the coming year the Council expects to work closely with its partners in the proposed WMCA to start delivering the Devolution Deal agreed with the Government. This is estimated to bring additional capital investment in excess of £8 billion over ten years across the West Midlands and associated LEP areas. This will require new ways of delivering capital investment involving a variety of delivery mechanisms appropriate to each investment programme.

## Planning & Regeneration

2.4 The Enterprise Zone (EZ) has a 10 year Investment Plan totalling £275m capital and revenue that was approved in 2014. Under government rules on Enterprise Zones, any uplift in the business rates collected within the EZ boundaries is ringfenced for a period of 25 years for the use and direction of the Local Enterprise Partnership. Within Birmingham this is the GBSLEP. The Investment Plan sets out how this uplift will be used to deliver the first phase of investment in infrastructure to unlock development and growth in the City Centre Enterprise Zone (EZ). A series of projects commenced in previous years, continue to be progressed within the Economy Directorate with the EZ funding including:

- The ongoing re-development of Paradise Circus - £87.9m (remaining budget of £44.4m).
- Operation of a site development and access fund - £14.0m (remaining budget of £9m).
- £35.5m of budget for the Southern Gateway site.
- £30m for the development of the HS2 Curzon Street site.
- £20m for the LEP Investment Fund and
- £20.0m for the HS2 Interchange site.

2.5 In addition to the City Centre Enterprise Zone, the Economic Zones marry the city's target growth sectors with strategic development opportunities supported by a bespoke offer to encourage private sector investment. The capital programme includes funding for the following projects:

- Advanced Manufacturing Hub at the Aston Regional Investment Site – for 2016/17 £4.2m expenditure which utilises a mix of public sector funding sources is forecast. This will support acquisitions, demolitions and site remediation to bring forward further developable plots for the automobile and advanced manufacturing sector.
- National College for HS2 – Plans for the National College for High Speed Rail were unveiled by HM Government in January 2014. Split across two sites, one in Birmingham and the other in Doncaster, it is an integral component of the emerging regional HS2 Growth Strategy and will provide a strong foundation to support the acquisition of skills in rail technology and management. Due to open by September 2017, the college to be built in Birmingham at a cost of £26.0m (£23.6m profiled over 2016/17 and 17/18) is funded by government grant and Local Growth Fund. It will add value to and strengthen the existing local skills infrastructure addressing the demands of the existing rail industry and directly contribute to future needs of HS2 and other advanced engineering sectors.

- Longbridge Regeneration – the Longbridge Regeneration budget reflects the planning and regeneration elements of the Longbridge Connectivity project approved by Cabinet on 8<sup>th</sup> December 2015; which includes a £1.92m Park and Ride scheme being delivered by Centro and funded by Local Growth Fund grant and £1.45m for Longbridge Station Improvements being delivered by network Rail funded by S106 monies.
- 2.6 Following approval by full Council in September 2015 of the Community Infrastructure Levy (CIL) Charging Schedule, charging was introduced for applicable planning applications from January 4<sup>th</sup> 2016. The CIL is a funding stream generated by certain types of development once they commence on site, and ensures those CIL - liable developments contribute to the infrastructure needed to support that development (e.g. highways improvements, improvements to education capacity, enhancements to parks and open spaces). At the current time, it is anticipated that the process to distribute CIL funds will be operated at a City Council wide level, and those potential projects must demonstrate how that project will support the growth aspirations for Birmingham, as outlined in the Birmingham Development Plan. Funding decisions will be subject to Cabinet approval. In the short term, it is anticipated that the CIL receipts will be low but will increase over time.
- 2.7 The service continues to work in partnership with other public bodies and the private sector to deliver on investment priorities as well as seek external resources. The GBSLEP City Deal as detailed in the Cabinet Report of October 2013 has ringfenced the receipts from disposal of the former Advantage West Midlands assets held by the Homes and Communities Agency for investment to unlock a number of complex City Council owned assets that will generate new housing and employment. To date capital expenditure has been approved for the Meadway and the Advanced Manufacturing Hub.
- 2.8 As mentioned in 2.3 above the Council also expects to work closely with its partners in the proposed WMCA to start delivering the Devolution Deal agreed with the Government. This is estimated to bring additional capital investment in excess of £8 billion over ten years across the West Midlands and associated LEP areas.
- 2.9 GBSLEP Local Growth Fund was recently approved for delivery of a £9m LEP wide programme for grant, loan and equity to unlock housing sites. There are early discussion with the GBSLEP on the potential for a similar programme for brownfield land given the shortage of sites for both business growth and the retention of businesses affected by the HS2 Safeguarding. Feasibility work is also being undertaken on the need for a JESSICA (EU non grant financial instrument) across the region's LEPs to support urban development.
- 2.10 The continued revitalisation and modernisation of the city's economy will be central to the growth agenda ensuring that jobs and prosperity are generated for current and future residents. It is anticipated that a new three year capital

Property Investment Programme will be operational early in 2016/17 consisting of £3m ERDF and £3m private sector investment. This new LEP wide £21m Business Growth Programme (consisting of £21m ERDF drawing in a further £21m private sector investment over 3 years) will provide predominantly support plus capital equipment. These grant programmes along with funds managed by Finance Birmingham provide a range of investments for SMEs to support growth.

## Transportation

- 2.11 The City's transport network enables the movement of people, goods and materials around Birmingham and affects all those who live, work and visit the city. The aim, as recently set out in Birmingham Connected, the Council's transport strategy and complemented by the new West Midlands Strategic Transport Plan, is to support, influence and nurture the growth of the city through a holistic and co-ordinated view of transport, land use planning, regeneration and environmental issues. The city also aims to improve transport infrastructure and networks and tackle congestion, working with partners to improve road and transport safety, encourage the use of sustainable modes and increase the range of low carbon transport options available to all citizens and road users.
- 2.12 The strategy seeks continuing support towards the delivery of major capital projects including a High Speed (HS2) rail link between Birmingham and London with two significant stations in Birmingham and Solihull, a HS2 Connectivity Package (new metro and SPRINT routes linked to the West Midlands Devolution Deal and Combined Authority) and supporting major developments including the Enterprise Zone and Economic Growth Zones at Aston, Witton, Tyseley, Selly Oak and Longbridge. During 2016/17 the strategy will begin to encompass the Midlands Connect strategy (for which £5m development funding has been provided to the West Midlands ITA) and the West Midlands Strategic Transport Plan.
- 2.13 In addition to Local Transport Plan Integrated Transport Block resources (confirmed £5.16m allocation for 2016/17 and 2017/18) the City Council continues to explore opportunities to secure additional Government funding to support this strategy. The following significant projects and bids are illustrative to this approach:
  - A further £22.1m of Cycle City Ambition Grant to support the delivery of the Birmingham Cycle Revolution up to 2017/18.
  - A likely bid to the Department for Transport's new 'Access Fund' in 2016/17 to continue sustainable transport measures, with £580m available nationally.
- 2.14 The strategy also reflects the provision of smaller improvements and enhancements to the highway and transport networks that promote economic growth, carbon reduction and sustainability, road safety, local accessibility and

social inclusion. Such improvements are mainly funded from Local Transport Plan Integrated Transport Block resources.

- 2.15 From 2015/16 funding for major transport schemes has been provided from the Local Growth Fund (LGF), with resources sought on a largely competitive basis through the submission of a Strategic Economic Plan (SEP) to Government in March 2014 by the GBSLEP. A further £94.5m of LGF has been provisionally secured to deliver improvements to the A457 Dudley Road and strengthening works to the A38 (M) Tame Valley Viaduct. This funding is subject to central Department for Transport approval and individual scheme Project Definition Documents will be prepared in 2016/17 and 2017/18.
- 2.16 Devolved local major transport scheme funding previously provided to the Greater Birmingham and Solihull Local Transport Board (LTB) also now form part of LGF resources controlled by the LEP. The projects below formed part of the LGF bid and funding award and are currently being progressed through the LEP and LTB governance process:
- One Station link between New St & Moor St Stations
  - Midland Metro Extension to Centenary Square (Complementary Highway Works);
  - Making the Connections (Urban Realm) and
  - Hagley Road SPRINT (bus rapid transit).
- 2.17 The successful completion of Birmingham New Street has transformed the experience for the millions of passengers who use the station every year and allow it to handle the ever increasing number of people who choose to travel by train. The parallel completion of Grand Central provides a unique shopping and travel experience and a gateway to the rest of the city centre.
- 2.18 Other resources available for transportation purposes include funding for low carbon uses and sustainable transport and is available from the European Structural Investment Fund, with resources managed at a LEP level. Other bespoke bids will be made on a case by case basis in accordance with the City Council's Gateway and Related Financial Approval Framework.
- 2.19 Birmingham Connected, the Council's transport strategy was launched in November 2014 and sets a 20 year + transport vision for the city. Birmingham Connected provides initial thoughts in terms of future funding and financing mechanisms that will be developed with partners and stakeholders during 2016/17 including opportunities available through the WMCA. In addition, funding models looking at S106 resources, Community Infrastructure Levy, Capital Receipts and Prudential Borrowing will be reviewed.

## Highways

- 2.20 A significant level of capital investment in the Highway Network has been completed as a part of the Highways Maintenance PFI contract with Amey. This provides for highway, street lighting and other street furniture investment at an overall cost of £2.7bn over the 25 year period of the contract to 2033/34.
- 2.21 The Directorate will support the strategic development of the transport infrastructure through the implementation of £8.1m of programmes of smaller improvements and enhancements at a local level to promote economic growth, carbon reduction and sustainability, road safety, local accessibility and social inclusion.

## 3. Corporate Resources

### Information & Communications Technology

- 3.1 The City Council's ICT Strategy provides the plan for delivering the information technology and information services which are required to effectively support the work of the City Council. To achieve this, it needs to balance both current and future needs in the context of available resources. The strategy proposes the most effective way of maintaining current infrastructure and services while providing the maximum flexibility in responding to future City Council initiatives.
- 3.2 The basic principles underlying the ICT strategy are:
- The maintenance of highly reliable infrastructure and basic corporate systems for both current and future requirements.
  - The traditional model of dedicated infrastructure needs to change to accommodate the need to work collaboratively with a range of partners over shared infrastructure, including web-based and cloud services.
  - All key systems need to be built or developed to work with mobile technology in general and with consumer devices in particular.
- 3.3 Provision has been made for major infrastructure replacements and SAP upgrades from 2016/17 onwards totalling £47.2m and include:
- Windows Desktop and server operating system upgrades, including new licencing agreements £21.0m.
  - £5.5m has been provided for SAP system technical and software updates between 2016/17 and 2018/19 to remain current and aligned to the strategic direction of the council and the downsizing of support services. The upgrades will enable more mobile technology and manager and employee self-service as well as improving system performance.



- P Series server replacements £4.6m.
- Storage Replacement £1.5m.
- Wide Area Network core switches and load balancers replacement £3.3m.
- Contact Centre Software platform £1.0m.
- Backup infrastructure replacement £1.2m.
- Data Centre improvements of £1.0m.
- Other minor schemes less than £1m each totalling £4.7m.

#### **4. Place**

##### **Strategic Context**

- 4.1 The Place capital strategy covers a diverse range of assets and services, each with their own characteristics and strategic drivers for investment. The different elements are each set within the context of a number of Strategic Plans, including the Waste Management Strategy, Sport Facilities Strategy, HRA Business Plan 2016+, Housing Plan, Private Sector Housing Strategy and Planning for Housing in Later Life, taking account of the limited resources available.
- 4.2 Whilst the overall strategy is focussed around the delivery of service outcomes for residents, some elements are delivered locally on a District or neighbourhood basis whereas other elements form part of a Citywide approach. The key service areas are considered below.

##### **Fleet and Waste Management (FWM)**

- 4.3 The key focus of the service's strategy is to minimise waste, meet challenging recycling targets and minimise landfill within the context of a drive towards more sustainable disposal methods with a modernised service delivery model.
- 4.4 The focus of asset planning for FWM is the investment which forms the major part of the Full Business Case for the wheelie bin service, approved by Cabinet in September 2013. The key assets are vehicles, wheeled bins and depot improvements to enable roll-out and ongoing provision of the new service. The capital strategy identifies the funding for this investment which best utilises Government and City Council resources.
- 4.5 The roll-out of the wheelie bin service was undertaken in 2014/15 and 2015/16. The next phase of capital expenditure will focus on depot refurbishment at a cost of £8.6m over the next two years.

### **Local service assets**

- 4.6 The effective use of local service assets is essential to the delivery of efficient services across the City Council, which is currently co-ordinated through the LoCal Project Board, chaired by the Deputy Leader.
- 4.7 The City Council provides a number of community libraries, adult education, advice and youth centres which support the localisation agenda. This asset base continues to be under review along with other Service assets in order to maximise opportunities for providing core services through co-location and partnership with other agencies, whilst generating significant savings (in excess of £10m over the next 4 years) for the Open for Learning Project which includes the former District services. Assets will be rationalised and limited investment undertaken, directed to priority sites for retention.

### **Parks and Nature Conservation**

- 4.8 The investment will continue to be focussed on essential improvements to ensure health and safety standards, including pools and reservoirs. The service will seek to maximise external funding and generate income where possible in order to reinvest in the service where appropriate.
- 4.9 Expenditure planned in 2016/17 amounts to £3.2m across a range of projects.

### **Sport and Leisure**

- 4.10 The City Council provides a range of sporting and leisure facilities. This includes Alexander Stadium and the strategy focuses on improving the national profile of the city as well as providing accessible facilities to help residents maintain a healthy lifestyle.
- 4.11 The City Council embarked on a major programme to transform the Sport and Physical Activity service, approved by Cabinet on 16<sup>th</sup> December 2013. The strategic outcome includes a mixed economy for delivery, including asset transfer, new wet (pool) and dry facilities, management through external contractors and the establishment of a Wellbeing Service that includes retaining facilities in deprived areas as well as outreach provision in parks, open spaces and community settings.
- 4.12 The framework contract for the construction, management and operation of Sparkhill Pool is in place, with the project now under way. A further two framework contracts are in place to enable the construction, management and operation of four leisure centres and transfer of five existing facilities to a private operator. As part of the transformation programme approved by Cabinet, options for future development, management and operation of Alexander Stadium will be considered.

## Markets

- 4.13 Food Hub - Following approval of the original full business case for the relocation of the Wholesale Markets to new purpose-built accommodation at the Hub in Witton in January 2014, an enhanced budget of £45.8m was subsequently approved for the scheme. After purchasing the new site and commencing work in 2015/16, £29.7m of this sum is budgeted to be spent in 2016/17 and 2017/18 on completing the building, on statutory compensation to traders at the existing wholesale market and on some 'mitigation' works at the existing Open Market. Final construction and tenant fit out are all scheduled to be completed in time to enable the commencement of trading at the new market in February 2017.

## Private Sector Housing

- 4.14 Interventions are limited due to funding constraints since the cessation of government funding for private sector decent homes delivery in 2011. The remaining areas of activity are focussed on Independent Living, Affordable Housing and the support to the provision of high quality Private Rented Sector Housing through the Council's wholly owned company, InReach Limited.
- 4.15 Independent Living needs will be met solely through Disabled Facilities Grants (forming a part of the Better Care Fund) which is anticipated to continue in the region of £4.4m per annum and will be made available to fund mandatory adaptations cases only. Whilst there continues to be substantial demand for assistance, programme delivery will be increasingly focussed on a statutory service including signposting to third sector and lower cost solutions, with adaptations prioritised for higher need cases.
- 4.16 Affordable Housing support will continue through the use of Commuted Sums and Land Receipts for specific interventions, and in particular bringing long term empty homes back into use through the Empty Property Strategy on a self-funding basis, totalling £1.1m between 2016/17 and 2018/19.
- 4.17 InReach Limited is continuing with its plans to construct 92 apartments for market rent on St Vincent Street, Ladywood. This development is currently anticipated to be completed during 2017/18, with funding provided through loans from the Council totalling £12m.

## Council Housing

- 4.18 The capital strategy for council housing forms an integral part of the HRA Business Plan, which sets out, over a 30 year period, plans for revenue and capital income and expenditure relating to HRA properties to ensure that council housing is maintained over the long term. The HRA Business Plan is explained in more detail in Chapter 4.

- 4.19 The HRA Capital Strategy has a dual focus, both on maintaining existing properties (including any structural works needed to the fabric of the buildings) and on a programme of new house building to replace obsolete and non-viable stock including the regeneration of Kings Norton, Newtown, Meadway, Abbey Fields and Perry Common.
- 4.20 The asset management strategy to support this overall Capital Strategy includes investment of £347.3m between 2016/17 and 2018/19, directed towards:
- Continued capital investment to maintain properties in their current improved condition (renewal of key property elements based on life cycles);
  - Provision of New Affordable Housing as a part of an investment of £272m for 1,880 new homes for rent over the coming 10 year HRA Business Plan period;
  - Continued investment in the provision of adaptations in properties for the benefit of council tenants (delivered in parallel to the Private Sector Housing Independent Living programme);
  - Clearance of obsolete housing - over 1,700 properties to be demolished over the coming 10 year period;
  - Energy efficiency and green energy measures to combat fuel poverty, including installation of communal heating systems in up to 20 tower blocks.

## APPENDIX 10: PROPOSED CAPITAL EXPENDITURE PROGRAMME 2016/17-2018/19

Appendix 10				
<b>PROPOSED CAPITAL EXPENDITURE PROGRAMME 2016/17 - 2018/19</b>				
	2016/17	2017/18	2018/19	TOTAL
	onwards*			
	£'000's	£'000's	£'000's	£'000's
* The figures for 2018/19 onwards include planned spend in later years				
<b>PEOPLE DIRECTORATE</b>				
<b><u>Adults &amp; Communities</u></b>				
Transformation of Adult Social Care	300	1,309	50	1,659
Programme of Minor Works	514	200	100	814
Adults Information Technology Schemes	1,692	950	100	2,742
Homeless Services	1,117	-	-	1,117
Learning Disability Homes & Day Centres	500	-	-	500
Better Care Fund	3,118	-	-	3,118
<b>Total Adults &amp; Communities</b>	<b>7,241</b>	<b>2,459</b>	<b>250</b>	<b>9,950</b>
<b><u>Children, Young People and Families</u></b>				
Aiming Higher for Disabled Children	-	450	-	450
Devolved Capital Allocation for Schools	-	2,832	-	2,832
Schools Capital Maintenance Works	18,521	13,713	-	32,234
Additional Primary Places - Basic Needs	63,277	19,765	-	83,042
Early Years	-	2,000	-	2,000
Business Transformation - Children's Services	1,000	3,183	-	4,183
<b>Total Children, Young People &amp; Families</b>	<b>82,798</b>	<b>41,943</b>	<b>-</b>	<b>124,741</b>
<b>Total People Directorate</b>	<b>90,039</b>	<b>44,402</b>	<b>250</b>	<b>134,691</b>

	2016/17	2017/18	2018/19	TOTAL
	onwards*			
	£'000's	£'000's	£'000's	£'000's
<b><u>PLACE DIRECTORATE</u></b>				
<b><u>General Fund</u></b>				
Swimming Pool Facilities	5,975	-	-	<b>5,975</b>
Sport & Physical Activity	24,051	7,879	508	<b>32,438</b>
Fleet & Waste Management	8,292	155	160	<b>8,607</b>
Parks	3,157	53	-	<b>3,210</b>
New Wholesale Market	28,691	985	-	<b>29,676</b>
Community Initiatives	457	-	-	<b>457</b>
Regulation & Enforcement	372	-	-	<b>372</b>
Adult Education - Brasshouse Relocation	1,902	-	-	<b>1,902</b>
Community Sport	23	-	-	<b>23</b>
Community Libraries	497	-	-	<b>497</b>
Community Development & Play	18	-	-	<b>18</b>
<b>Total Non-Housing</b>	<b>73,435</b>	<b>9,072</b>	<b>668</b>	<b>83,175</b>
<b><u>Housing</u></b>				
<b><u>Council Housing HRA</u></b>				
Housing Improvements Programme	35,475	38,188	53,175	<b>126,838</b>
Other Essential Works	14,430	12,672	12,672	<b>39,774</b>
Redevelopment	74,355	54,765	22,527	<b>151,647</b>
Other Programmes	9,203	9,683	10,160	<b>29,046</b>
<b>Total Council Housing HRA</b>	<b>133,463</b>	<b>115,308</b>	<b>98,534</b>	<b>347,305</b>
<b><u>Private Sector Housing</u></b>				
Affordable Housing	350	350	350	<b>1,050</b>
Independent Living	4,408	4,403	4,400	<b>13,211</b>
St Vincent Street	8,000	3,950	-	<b>11,950</b>
Other Programmes	352	197	200	<b>749</b>
<b>Total Private Sector Housing</b>	<b>13,110</b>	<b>8,900</b>	<b>4,950</b>	<b>26,960</b>
<b><u>Resilience</u></b>				
Land Drainage & Flood Defences	1,115	-	-	<b>1,115</b>
<b>Total Resilience</b>	<b>1,115</b>	<b>-</b>	<b>-</b>	<b>1,115</b>
<b>Total Place Directorate</b>	<b>221,123</b>	<b>133,280</b>	<b>104,152</b>	<b>458,555</b>

		2016/17	2017/18	2018/19	TOTAL
		onwards*			
<b><u>CORPORATE RESOURCES DIRECTORATE</u></b>		<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
<b><u>Birmingham Property Services</u></b>					
Access to Buildings		438	-	-	<b>438</b>
Attwood Green Park		29	-	-	<b>29</b>
Attwood Green - Holloway Head		620	40	-	<b>660</b>
<b>Total Birmingham Property Services</b>		<b>1,087</b>	<b>40</b>	<b>-</b>	<b>1,127</b>
<b><u>Corporate Resources - Other</u></b>					
Capitalised Redundancy Costs		17,000	14,000	7,000	<b>38,000</b>
IT Projects - Centralised Desktop		200	-	-	<b>200</b>
Capital Loans & Equity Funds		9,067	-	-	<b>9,067</b>
ICT Infrastructure		8,231	33,318	-	<b>41,549</b>
SAP Investments		4,195	1,185	115	<b>5,495</b>
<b>Total Corporate Resources - Other</b>		<b>38,693</b>	<b>48,503</b>	<b>7,115</b>	<b>94,311</b>
<b>Total Corporate Resources Directorate</b>		<b>39,780</b>	<b>48,543</b>	<b>7,115</b>	<b>95,438</b>

<b>ECONOMY DIRECTORATE</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>TOTAL</b>
	<b>onwards*</b>			
	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>	<b>£'000's</b>
<b>Planning &amp; Regeneration</b>				
<b>Regeneration - Enterprise Zone</b>				
Enterprise Zone - Paradise Circus	20,851	10,079	13,496	<b>44,426</b>
Enterprise Zone - Site Development & Access	9,000	-	-	<b>9,000</b>
Enterprise Zone - Connect Economic Opportunities	-	-	13,301	<b>13,301</b>
Enterprise Zone - Southern Gateway Site	1,000	1,000	33,470	<b>35,470</b>
Enterprise Zone - LEP Investment Fund	-	-	20,000	<b>20,000</b>
Enterprise Zone - HS2 Curzon St Site	-	-	30,000	<b>30,000</b>
Enterprise Zone - HS2 Interchange Site	-	-	20,000	<b>20,000</b>
Enterprise Zone - Snow Hill Public Realm	275	-	-	<b>275</b>
Enterprise Zone - Metro Centenary Square	3,297	3,720	600	<b>7,617</b>
Enterprise Zone - City Centre Links	-	-	-	<b>-</b>
Enterprise Zone - One Station	194	421	112	<b>727</b>
<b>Total Enterprise Zone</b>	<b>34,617</b>	<b>15,220</b>	<b>130,979</b>	<b>180,816</b>
<b>Regeneration - Other</b>				
East Aston Regional Investment Site	4,236	-	-	<b>4,236</b>
National College for HS2	21,453	2,136	-	<b>23,589</b>
Womens Enterprise Centre	100	-	-	<b>100</b>
Longbridge Regeneration	3,763	-	-	<b>3,763</b>
Local Centres	933	-	-	<b>933</b>
Conservation	276	-	-	<b>276</b>
Local Improvement Budget	44	-	-	<b>44</b>
Other City Centre Projects	161	-	-	<b>161</b>
Planning Other	50	51	51	<b>152</b>
<b>Total Regeneration</b>	<b>31,016</b>	<b>2,187</b>	<b>51</b>	<b>33,254</b>
<b>Total Planning &amp; Regeneration</b>	<b>65,633</b>	<b>17,407</b>	<b>131,030</b>	<b>214,070</b>
<b>Transportation</b>				
New Street Station (Gateway)	5,147	-	-	<b>5,147</b>
Coventry Road A45	1,539	-	-	<b>1,539</b>
Local Growth Fund	12,870	7,197	1,300	<b>21,367</b>
Metro Extension	3,940	7,996	-	<b>11,936</b>
Infrastructure Development	1,178	-	-	<b>1,178</b>
Walking, Cycling & Accessibility	1,585	-	-	<b>1,585</b>
Economic Growth & Congestion	2,757	1,651	-	<b>4,408</b>
Minor Schemes (including balance of ITB)	216	3,591	4,004	<b>7,811</b>
<b>Total Transportation</b>	<b>29,232</b>	<b>20,435</b>	<b>5,304</b>	<b>54,971</b>
<b>Highways</b>				
Structures - Tame Valley Viaduct	224	-	-	<b>224</b>
Safer Routes to Schools	449	300	300	<b>1,049</b>
Network Integrity	378	55	55	<b>488</b>
Minworth A38 Improvements	3,084	163	-	<b>3,247</b>
Ward Minor Transport Measures	500	500	500	<b>1,500</b>
Road Safety	621	300	300	<b>1,221</b>
Other Minor Schemes	149	250	-	<b>399</b>
<b>Total Highways</b>	<b>5,405</b>	<b>1,568</b>	<b>1,155</b>	<b>8,128</b>
<b>Total Economy Directorate</b>	<b>100,270</b>	<b>39,410</b>	<b>137,489</b>	<b>277,169</b>
<b>Total Capital Programme</b>	<b>451,212</b>	<b>265,635</b>	<b>249,006</b>	<b>965,853</b>



<b>New Schemes/Funding</b>					
The following projects included in the above programme have been added since Quarter 2 2015/16					
	#	2016/17	2017/18	2018/19	TOTAL
		onwards*			
		£'000's	£'000's	£'000's	£'000's
<b>People Directorate:</b>					
Transformation of Adult Social Care	A	300	(669)	50	(319)
Replacement Vehicles	A	(1,469)	0	0	(1,469)
Programme of Minor Works	N	0	200	100	300
Improving Information Management	N	0	750	0	750
IT Technical Refresh	N	0	200	100	300
<b>Total People Directorate</b>		<b>(1,169)</b>	<b>481</b>	<b>250</b>	<b>(438)</b>
<b>Place Directorate:</b>					
Swimming Pool Facilities	N	594	0	0	594
Strategic Parks	N	96	3	0	99
Private Sector Housing	N	518	518	4,950	5,986
Adult Education - Brasshouse Relocation	N	1,902	0	0	1,902
HRA Housing	N	15,316	8,858	98,594	122,768
<b>Total Place Directorate</b>		<b>18,426</b>	<b>9,379</b>	<b>103,544</b>	<b>131,349</b>
<b>Corporate Resources Directorate:</b>					
Capitalised Redundancy Costs	N	17,000	14,000	7,000	38,000
Corporately Held - Property Fund	A	(5,736)	0	0	(5,736)
ICT Infrastructure & SAP	A	(4,895)	135	115	(4,645)
<b>Total Corporate Resources Directorate</b>		<b>6,369</b>	<b>14,135</b>	<b>7,115</b>	<b>27,619</b>
<b>Economy Directorate:</b>					
East Aston Regional Investment Site	N	525	0	0	525
Enterprise Zone - minor adjustment	A	0	(84)	0	(84)
Metro Centenary Square	N	3,297	3,720	600	7,617
Metro Extension	N	230	220	0	450
Planning - Other	A	0	(51)	51	0
Longbridge Regeneration (Station)	N	3,160	0	0	3,160
National College for HS2	N	21,875	2,136	0	24,011
Transportation Schemes	N	(172)	3,591	4,004	7,423
Local Growth Fund	N	6,672	1,132	0	7,804
A38 Minworth Improvements	N	3,084	163	0	3,247
Highways	N	14	1,405	1,155	2,574
<b>Total Economy Directorate</b>		<b>38,685</b>	<b>12,232</b>	<b>5,810</b>	<b>56,727</b>
<b>Total New Schemes / Resources</b>		<b>62,311</b>	<b>36,227</b>	<b>116,719</b>	<b>215,257</b>
Note: this includes some re-phasing between years where additional resources have been identified for existing programmes and the removal of budgets where savings have been identified.					
# A - Amendment					
N - New					

## APPENDIX 11: ANALYSIS OF PRUDENTIAL BORROWING

			Appendix 11	
<b>Analysis of Prudential Borrowing</b>				
	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	
			<b>onwards*</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b>Major Self Financed Prudential Borrowing</b>				
Capital Loans & Equity	8.7	0.0	0.0	<b>8.7</b>
Enterprise Zone	31.1	11.1	130.3	<b>172.5</b>
One Station	0.2	0.4	0.1	<b>0.7</b>
Metro Centenary Square	3.3	3.7	0.6	<b>7.6</b>
Metro Extension	3.9	8.0	0.0	<b>11.9</b>
Housing Private Sector - St Vincent Street	8.0	4.0	0.0	<b>12.0</b>
HRA	26.9	12.4	5.1	<b>44.5</b>
Wholesale Markets	28.7	1.0	0.0	<b>29.7</b>
Sport & Physical Activity	17.8	7.9	0.5	<b>26.2</b>
Fleet & Waste Management Transformation	8.1	0.0	0.0	<b>8.1</b>
Cotton Park Nurseries	1.8	0.0	0.0	<b>1.8</b>
Adult Education - Brasshouse Relocation	1.9	0.0	0.0	<b>1.9</b>
<b>Total Self Financed</b>	<b>140.6</b>	<b>48.5</b>	<b>136.6</b>	<b>325.7</b>
<b>Major Prudential Borrowing with net impact on Council revenue resources</b>				
Swimming Pool Facilities	6.0	0.0	0.0	<b>6.0</b>
IT Infrastructure & Upgrades	12.6	34.4	0.1	<b>47.1</b>
Other	12.3	8.6	1.4	<b>22.3</b>
<b>Total Capital projects requiring revenue resources</b>	<b>30.9</b>	<b>43.0</b>	<b>1.5</b>	<b>75.4</b>
<b>Total Prudential Borrowing</b>	<b>171.5</b>	<b>91.5</b>	<b>138.1</b>	<b>401.1</b>
* the 2018/19 onwards column includes prudential borrowing plans in later years				

## APPENDIX 12: DEBT AND PRUDENTIAL INDICATORS

DEBT AND PRUDENTIAL INDICATORS		Appendix 12a		
WHOLE COUNCIL		16/17	17/18	18/19
		Indicators	Indicators	Indicators
		£m	£m	£m
<b>Capital Finance</b>				
1	Capital Expenditure - Capital Programme	451.2	265.7	249.0
2	Capital Expenditure - other long term liabilities	27.4	28.3	30.9
3	Capital expenditure	478.6	294.0	279.9
4	Capital Financing Requirement (CFR)	4,682.6	4,604.0	4,519.1
<b>Planned Debt</b>				
5	Peak loan debt in year	3,490.5	3,566.1	3,621.2
6	+ Other long term liabilities (peak in year)	492.9	470.5	448.5
7	= Peak debt in year	3,983.4	4,036.6	4,069.7
8	does peak debt exceed year 3 CFR?	no	no	no
<b>Prudential limit for debt</b>				
9	Gross loan debt	3,780.0	3,780.0	3,780.0
10	+ other long term liabilities	520.0	520.0	520.0
11	= Total debt	4,300.0	4,300.0	4,300.0
<b>Notes</b>				
4	The Capital Financing Requirement represents the underlying level of borrowing needed to finance historic capital expenditure (after deducting debt repayment charges). This includes all elements of CFR including Transferred Debt.			
5-7	These figures represent the forecast peak debt (which may not occur at the year end). The Prudential Code calls these indicators the Operational Boundary.			
8	It would be a cause for concern if the Council's loan debt exceeded the CFR, but this is not the case due to positive cashflows, reserves and balances. The Prudential Code calls this Borrowing and the capital financing requirement.			
11	The Authorised limit for debt is the statutory debt limit. The City Council may not breach the limit it has set, so it includes allowance for uncertain cashflow movements and potential borrowing in advance for future needs.			

## Appendix 12b

**DEBT AND PRUDENTIAL INDICATORS:  
HOUSING REVENUE ACCOUNT**

	16/17	17/18	18/19
	Indicators	Indicators	Indicators
	£m	£m	£m
<b>Capital Finance</b>			
1 Capital expenditure	133.5	115.3	98.5
<b>HRA Debt</b>			
2 Capital Financing Requirement (CFR)	1,129.3	1,124.4	1,113.0
3 Statutory cap on HRA debt	1,150.4	1,150.4	1,150.4
<b>Affordability</b>			
4 HRA financing costs	97.5	97.9	98.2
5 HRA revenues	287.0	284.5	281.3
6 HRA financing costs as % of revenues	34.0%	34.4%	34.9%
7 HRA debt : revenues	3.9	4.0	4.0
8 Forecast Housing debt per dwelling	£18,056	£18,026	£17,926
9 Estimate of the incremental impact of new capital investment decisions on housing rents. (expressed in terms of ave. weekly housing rent)	£0.00	£0.00	£0.00

**Notes**

- 2-3 The HRA Capital Financing Requirement (CFR) is being used by the Government as the measure of HRA debt for the purposes of establishing a cap on HRA borrowing for each English Housing
- 4 Financing costs include interest and depreciation (in the HRA)
- 7 This indicator is not in the Prudential Code but is a key measure of long term sustainability. This measure is forecast to fall below 2.0 by 2026/27, which is two years later than previously forecast.
- 8 This indicator is not in the Prudential Code but is a key measure of affordability: the HRA debt per dwelling should not rise significantly over time
- 9 The cost of borrowing for the Capital Programme represents the interest and repayment costs arising from any new prudential borrowing introduced in the capital programme since the last revision at Quarter 2, expressed in terms of an average weekly rent. The calculation excludes the cost of borrowing which is funded from additional income or savings. As all planned HRA borrowing is funded from additional income in this way, the impact is zero. The Prudential Code calls this the Estimate of the incremental impact of capital investment decisions on housing rents.

## Appendix 12c

**DEBT AND PRUDENTIAL INDICATORS:****GENERAL FUND**

	16/17	17/18	18/19
	Indicators	Indicators	Indicators
	£m	£m	£m
<b>Capital Finance</b>			
1 Capital expenditure (including other long term liabilities)	345.1	178.7	181.4
2 Capital Financing Requirement (CFR)	3,553.3	3,479.7	3,406.1
<b>General Fund debt</b>			
3 Peak loan debt in year	2,361.2	2,441.7	2,508.2
4 + Other long term liabilities (peak in year)	492.9	470.5	448.5
5 = Peak General Fund debt in year	2,854.1	2,912.2	2,956.7
<b>General Fund Affordability</b>			
6 Total General Fund financing costs	261.9	272.4	274.6
7 General Fund net revenues	835.3	813.9	808.5
8 General Fund financing costs (% of net revenues)	31.4%	33.5%	34.0%
9 Estimate of the incremental impact of new capital investment decisions on Council Tax.	£0.01	£0.31	£2.09

Expressed in terms of Council Tax (Band D equiv)

(impact already included in Council Tax increases assumed in LTFP)

**Note**

- 1 General fund capital expenditure includes expenditure capitalized under the Government capital receipts flexibility scheme (£17.0m, £14.0m, £7.0m in the three years respectively)
- 4 Other long term liabilities include PFI, finance lease liabilities, and transferred debt liabilities
- 6 Financing costs include interest and MRP (in the General Fund), for loan debt, transferred debt, PFI and finance leases
- 8 This indicator includes the gross revenue cost of borrowing and other finance, including borrowing for the Enterprise Zone and other self-supported borrowing.
- 9 The cost of borrowing for the Capital Programme represents the interest and repayment implications arising from any changes in forecast prudential borrowing in the capital programme since Quarter 2, expressed in terms of Council Tax at Band D. The implications are cumulative in later years as successive years' borrowing is added. This impact has been funded within the Long Term Financial Plan and assumed Council Tax charges up to 2017/18. The calculation excludes the cost of borrowing which is funded from additional income or savings.

## Appendix 12d

**PRUDENTIAL INDICATORS:  
TREASURY MANAGEMENT**

	Indicators	16/17 Forecast	17/18 Forecast	18/19 Forecast
<b>CIPFA Treasury Management Code</b>				
1	Has the authority adopted the TM Code?	Yes	Yes	Yes
<b>Interest rate exposures</b>				
	<b>Limit</b>	<b>Forecast Maximum</b>	<b>Forecast Maximum</b>	<b>Forecast Maximum</b>
2	upper limit on fixed rate exposures	130%	88%	84%
3	upper limit on variable rate exposures	30%	20%	21%
<b>Maturity structure of borrowing</b>				
	<b>Limit</b>	<b>Forecast Year End</b>	<b>Forecast Year End</b>	<b>Forecast Year End</b>
(lower limit and upper limit)				
4	under 12 months	0% to 30%	20%	21%
5	12 months to within 24 months	0% to 30%	2%	4%
6	24 months to within 5 years	0% to 30%	6%	4%
7	5 years to within 10 years	0% to 30%	13%	15%
8	10 years to within 20 years	5% to 40%	18%	16%
9	20 years to within 40 years	10% to 60%	29%	31%
10	40 years and above	0% to 40%	11%	9%
<b>Investments longer than 364 days</b>				
	<b>Limit</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
upper limit on amounts maturing in:				
11	1-2 years	200	0	0
12	2-3 years	100	0	0
13	3-5 years	100	0	0
14	later	0	0	0

**Note**

2-10 These indicators assume that LOBO loan options are exercised at the earliest possibility, and are calculated as a % of net loan debt.

## Appendix 12e

## Matters taken into account in setting Prudential Indicators

The Prudential Code requires local authorities to have regard to a number of factors when setting prudential indicators. These are set out below with a description of how they have been taken into account in the City Council's planning process, including the preparation of this Business Plan.

### **Affordability, e.g. Implications for Council Tax**

The running costs of new schemes, including borrowing costs, are provided within the City Council's financial planning process, often from within services' own budgets. Revenue budgets have been identified to meet all planned borrowing costs.

### **Prudence and Sustainability, e.g. Implications for External Borrowing**

This asks the question whether borrowing is sustainable in the long-term. Revenue budgets have been provided to repay the proposed borrowing over time in accordance with Government MRP Guidance. The City Council continues to manage its long-term financial planning through the LTFP and Efficiency Statement to assess longer-term sustainability.

### **Value for Money, e.g. Option Appraisal**

The City Council's executive decision-making process and "Gateway" appraisal process provide a robust framework for the appraisal and approval of capital projects and programmes, taking account of value for money and options appraisal.

### **Stewardship of Assets, e.g. Asset Management Planning**

The Property and other Physical Assets Strategy is reported in Part 7 of this budget report.

### **Service Objectives, e.g. Strategic Planning for the Authority**

The capital programme has been prepared in the context of the City Council's policy priorities and major planning processes. Long-term service planning for capital investment takes place through the City Council's business planning process and capital programme development.

### **Practicality, e.g. Achievement of the Forward Plan**

Quarterly monitoring of progress in achieving the capital budget is reported to Cabinet.

## APPENDIX 13: DEBT REPAYMENT POLICY

### Minimum Revenue Provision Statement 2016/17

#### Introduction

1. The Government's Capital Finance and Accounting Regulations require local authorities to make 'prudent annual provision' in relation to capital expenditure financed from borrowing or credit arrangements. This is known as Minimum Revenue Provision or MRP, but it is often referred to as a provision for "debt repayment" as a shorthand expression. The Government has also issued statutory Guidance on MRP, to which the Council is required to have regard.
2. This policy applies to the financial years 2014/15 and 2015/16. Any interpretation of the Statutory Guidance or this policy will be determined by the Strategic Director - Finance and Legal.

#### Principles of debt repayment provision

3. The term 'prudent annual provision' is not defined by the Regulations. However, the statutory Guidance says:

*"the broad aim of prudent provision is to ensure that debt is repaid over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant".*

The Guidance does not prescribe the annual repayment profile to achieve this aim, but suggests four methods for making MRP which it considers prudent, and notes that other methods are not ruled out. The City Council regards the broad aim of MRP as set out above as the primary indicator of prudent provision, whilst recognising the flexibilities which exist in determining an appropriate annual repayment profile.

4. The City Council considers that 'prudent' in this context does not mean the quickest possible repayment period, but has regard to the prudent financial planning of the authority overall, the flow of benefits from the capital expenditure, and other relevant factors.
5. This MRP Policy therefore takes account of the financial forecast in the Council's ten year LTFP and Efficiency Statement in determining what is prudent MRP in the circumstances. In particular, this takes account of the funding needs of equal pay settlements (paragraph 14 below) and the need for an orderly financial transition as the Council adjusts to further substantial funding reductions.



6. Consistent with the Statutory Guidance, the City Council will not review the individual asset lives used for MRP as a result of any changes in the expected life of the asset or its actual write off. Some assets will last longer than their initially estimated life, and others will not; the important thing is the reasonableness of the estimate.

**General Fund MRP policy: borrowing before 2007/08**

7. The Council's policy since 2013/14 is to charge MRP on the pre-2007/08 borrowing at 2% of the balance at 31 March 2013, fixed at the same cash value so that the whole debt is repaid after 50 years.

This method includes repayment of the adjustment in the basis of MRP on moving from the 1989 Act system in 2004 ("Adjustment A").

**General Fund MRP policy: prudential borrowing from 2007/08**

8. The general repayment policy for new prudential borrowing is to repay borrowing within the expected life of the asset being financed. This is in accordance with the "Asset Life" method in the Guidance.

The repayment profile will follow an annuity repayment method, (like many domestic mortgages) which is one of the options set out in the Guidance.

This is subject to the following details:

- 8.1 An average asset life for each project will normally be used. This will be based on the asset life normally used for depreciation accounting purposes (recognising that MRP is estimated at the start of the project, whereas depreciation is not determined until the project has finished, so there may be estimation differences). There will not be separate MRP schedules for the components of a building (e.g. plant, roof etc.). Asset life will be determined by the Strategic Director - Finance and Legal. A standard schedule of asset lives will generally be used, but where borrowing on a project exceeds £10m, advice from Acivico or other appropriate advisers may also be taken into account.
- 8.2 MRP will commence in the year following the year in which capital expenditure financed from borrowing is incurred, except for single assets where over £1m financed from borrowing is planned, where MRP will be deferred until the year after the asset becomes operational.
- 8.3 Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, as justified by the circumstances of the case, at the discretion of Strategic Director - Finance and Legal.

- 8.4 If appropriate, shorter repayment periods (i.e. less than the asset life) may be used for some or all new borrowing.

### **Housing Revenue Account MRP policy**

9. The statutory MRP Guidance states that the duty to make MRP does not extend to cover borrowing or credit arrangements used to finance capital expenditure on HRA assets. This is because of the different financial structure of the HRA, in which depreciation charges have a similar effect to MRP. The Government's HRA self-financing settlement, introduced a cap on HRA borrowing, which was equal to the City Council's opening HRA debt at April 2012. The City Council's policy is therefore that net HRA debt will reduce over the medium term, in order to deliver a debt to revenues ratio of below 2:1 by 2026/27. This will support the maintenance of a balanced and sustainable HRA Business Plan with the capacity to meet investment needs in later years. The City Council will also seek to deliver a reduction in HRA debt per dwelling.

The annual HRA net debt reduction to achieve the above policy is projected as follows in the HRA Business Plan:

£m	
2016/17 - £1.2	
2017/18 - £17.4	
2018/19 - £16.5	
2019/20 - £10.3	
2020/21 - £27.9	
2021/22 - £41.2	
2022/23 - £45.9	
2023/24 - £49.8	
2024/25 - £54.9	
2026/27 - £60.1	(2:1 debt to revenues ratio achieved).

Additional voluntary HRA debt repayment provision may be made from revenue or capital resources.

### **Concession Agreements and Finance Leases**

10. MRP in relation to concession agreements (e.g. PFI contracts) and finance leases will be calculated on an asset life method using an annuity repayment profile, consistent with the method for prudential borrowing in paragraph 8 above. The Strategic Director - Finance and Legal may approve that such debt repayment provision may be made from capital receipts rather than from revenue provision.

### **Transferred Debt**

Transferred Debt is debt held by another local authority whose costs are recharged to the City Council (usually as a result of earlier reorganisations, such as the abolition of the former County Council). MRP in relation to Transferred Debt will be charged in line with the cash debt repayments due to the holding authority.

### **Specific situations:**

#### **Statutory capitalisations**

Expenditure which does not create a fixed asset, but is statutorily capitalised, will follow the MRP treatment in the Government guidance, apart from any exceptions provided for below.

#### **Cashflows**

13. Where a significant difference exists between capital expenditure accrued and the actual cashflows, MRP may be charged based on the Strategic Director - Finance and Legal the cash expended at the previous year end, as agreed by the Director of Finance.

The reason for this is that, if expenditure has been accrued but cash payments have not yet been made, this may result in MRP being charged in the accounts to repay borrowing which has not yet been incurred.

#### **Equal Pay settlements**

14. The City Council has plans in place to fully fund equal pay settlement liabilities, primarily from capital receipts. However, there are risks to the timing and quantum of future capital receipts. As a risk management mechanism, MRP may be reduced if there are insufficient capital receipts to fund equal pay settlement costs in that year. The revenue saving will then be used to meet the settlement costs.
15. Any such reduction will be made good by setting aside equivalent future capital receipts to provide for debt repayment, when there is a surplus of capital receipts available after funding equal pay settlements. As a minimum, any such reduction in MRP will be repaid over 20 years as a charge to revenue account on an annuity profile.

#### **Capitalised loans to others**

16. MRP on capitalised loan advances to other organisations or individuals will not be required. Instead, the capital receipts arising from the capitalised loan repayments will be used as provision to repay debt. However, revenue MRP

contributions would still be required equal to the amount of any impairment of the loan advanced.

### **Enterprise Zone**

17. Borrowing by the City Council related to the GBSLEP, and which is supported by additional business rates from the Enterprise Zone or from other GBSLEP income, will be repaid within the lifetime of the Enterprise Zone or other associated income stream (subject to the estimated life of the assets being funded). This means that the repayment period for EZ - supported borrowing will reduce each year so that all EZ debt can be repaid by 2038.

### **Voluntary repayment of debt**

18. The Council may make additional voluntary debt repayment provision from revenue or capital resources. In this case, the Director of Finance may make an appropriate reduction in later years' levels of MRP.
19. Where it is proposed to make a voluntary debt repayment provision in relation to prudential borrowing from 2007/08 under the asset life method, it may be necessary to decide which assets the debt repayment relates to, in order to determine the reduction in subsequent MRP. The following principles will be applied by the Strategic Director - Finance and Legal in reaching a prudent decision:
  - where the rationale for debt repayment is based on specific assets or programmes, any debt associated with those assets or programmes will be repaid;
  - where the rationale for debt repayment is not based on specific assets, debt representative of the service will be repaid, with a maturity reflecting the range of associated debt outstanding;

Subject to the above two bullet points, debt with the shortest period before repayment will not be favoured above longer MRP maturities, in the interests of prudence, to ensure that capital resources are not applied for purely short term benefits.

<b>MRP summary</b>	<b>General Fund £m</b>	<b>HRA £m</b>	<b>Total £m</b>
2016/17	135.6	1.2	136.8
2017/18	138.0	17.4	155.4
2018/19	142.2	16.5	158.7
2019/20	141.1	10.3	151.4
2020/21	131.9	27.9	159.8
years 6-10	649.6	251.8	901.4
years 11-20	1,138.7	338.9	1,477.6
year 21-50	1,938.2	168.3	2,106.5

The summary above shows revenue MRP (Minimum Revenue Provision) based both on historic capital financing and on the effect of the current capital programme.

The figures include MRP on loan debt, PFI, finance leases and transferred debt.

Based on historic capital financing and the current capital programme, the General Fund CFR is fully repaid by 2063 (excluding PFI). PFI finance will be fully repaid 40 years after the final capital expenditure under the Council's PFI contracts.

## APPENDIX 14: TREASURY MANAGEMENT POLICY

### 1. Overview

This appendix sets out the City Council's proposed Treasury Management Policy. This sets the overall framework and risk management controls which are used in carrying out the City Council's borrowing, lending and other treasury activities.

This Policy remains largely unchanged from the Policy set out in the Business Plan and Summary Budget 2015+.

### 2. Statutory Guidance

2.1 In setting out the City Council's policy framework for the conduct of its treasury management, this document takes account of:

- CIPFA's Code of Practice for Treasury Management in the Public Services;
- CIPFA's Prudential Code for Local Authority Capital Finance; and
- The Government's Guidance on Local Authority Investments.

This Policy adopts the above Codes and has regard to the Government Guidance.

### 3. The City Council's Treasury Management Objectives

3.1 The City Council's treasury management objectives and activities are defined as:

*The management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.*

3.2 Effective treasury management will provide support towards the achievement of the City Council's business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.<sup>20</sup>

<sup>20</sup> Paragraphs 3.1, 3.2, 3.6 and the final sentence of 4.3 are required by the CIPFA Treasury Management Code

## Attitude to Treasury Management risks

- 3.3 The City Council attaches a high priority to a stable and predictable charge to revenue from treasury management activities. The City Council's objectives in relation to debt and investment can accordingly be stated more specifically as follows:

*To assist the achievement of the City Council's service objectives by obtaining funding and managing the City Council's debt and treasury investments at a net cost which is as low as possible, consistent with a high degree of interest cost stability and a very low risk to sums invested.*

- 3.4 This does not mean that it is possible to avoid all treasury risks, and a balance has to be struck. The main treasury risks which the City Council is exposed to include:

- Interest rate risk - the risk that future borrowing costs rise;
- Credit risk - the risk of default in a City Council investment;
- Liquidity and refinancing risks - the risk that the City Council cannot obtain funds when needed.

- 3.5 The Treasury Management Team has capability to actively manage treasury risks within this Policy framework, and the following activities may for example be appropriate based on an assessment at the time, to the extent that skills and resources are available:

- the refinancing of existing debt;
- borrowing in advance of need;
- use of more complex sources of funding such as listed bond issues and commercial paper;
- investing surplus cash in institutions or funds with a high level of creditworthiness, rather than placing all deposits with the Government.

- 3.6 The successful identification, monitoring and control of risk are the prime criteria by which the effectiveness of the City Council's treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

- 3.7 The City Council's approach to the management of treasury risks is set out in the rest of this Treasury Management Policy. The Strategic Director - Finance and Legal holds regular meetings with senior staff to monitor market conditions and review planned activities and performance.

#### 4. Setting limits to manage treasury management risks<sup>21</sup>

##### Interest rate exposures

- 4.1 The stability of the City Council's interest costs is affected by the amount of borrowing exposed to short term or variable interest rates. However, short term interest rates are often lower, so there can be a trade-off between achieving the lowest rates in the short term and in the long term, and between short term savings and long term budget stability. The City Council will therefore have regard to short and long term implications, and will manage the long-term debt maturity profile so that not too much fixed rate debt will mature in any year. The following limits are proposed (in the format required by the CIPFA Prudential Code):

**Table 14.1**  
**Prudential limits - interest rate exposure**

	% of loan debt (net of investments):		
	2016/17	2017/18	2018/19
upper limit on net fixed rate exposures	130%	130%	130%
upper limit on net variable rate exposures	30%	30%	30%

The currently planned variable rate exposure is set out in the Treasury Management Strategy.

##### Maturity profile

The City Council will have regard to forecast Net Loan Debt in managing the maturity profile. The effect of forecast cashflows especially MRP (minimum revenue provision for debt repayment) will be taken into account. Taking these factors into account the proposed limits are as follows:

**Table 14.2**  
**Prudential limits - maturity structure of fixed rate borrowing**

	lower and upper limits:
under 12 months	0% to 30% of gross loan debt
12 to 24 months	0% to 30%

<sup>21</sup> Throughout this Business Plan, debt and investments are expressed at nominal value, which may be different from the amortised cost value required in the statutory accounts.



24 months to 5 years	0% to 30%
5 to 10 years	0% to 30%
10 to 20 years	5% to 40%
20 to 40 years	10% to 60%
40 years and above	0% to 40%

### **Policy for borrowing in advance of need**

- 4.3 Government investment guidance expects local authorities to have a policy for borrowing in advance of need, in part because of the credit risk of investing the surplus cash. The City Council's policy is to borrow to meet its forecast Net Loan Debt. The City Council will only borrow in advance of need where there is a clear business case for doing so and will only do so for the current capital programme, to replace maturing loans, or to meet other expected cashflows.
- 4.4 The City Council is a substantial net borrower, and only has cash to invest for relatively short periods as a result of positive cashflow or borrowing in advance of expenditure. The City Council considers all its treasury risks together, taking account of the investment risks which arise from decisions to borrow in advance. Such decisions need to weigh the financial implications and risks of deferring borrowing until it is needed (by which time fixed interest rates may have risen), against the cost of carry and financial implications of reinvesting the cash proceeds until required. This will be a matter of treasury judgement at the time, within the constraints of this Policy and treasury management delegations.

### **Investment Policy for temporarily surplus cash**

- 4.5 The City Council's cashflows and treasury management activity will generally result in temporarily surplus cash to be invested. The following paragraphs set out a policy for these 'treasury investments'. This policy does not cover investments arising from service provision, such as the Loans and Equity Funds created for regeneration purposes.
- 4.6 The investment of temporarily surplus cash results in credit risk. In accordance with Government investment guidance, the City Council distinguishes between:
- 'Specified Investments' which mature within 12 months and have a 'high credit quality' in the opinion of the authority.
  - 'Non-specified Investments' which are long term investments (i.e. maturing in 12 months or more), or which do not have such high credit quality. The Government views these as riskier. Such investments require more care, and are limited to the areas set out in the policy for Non-specified Investments below.

- 4.7 Low investment risk is a key treasury objective, and in accordance with Government and CIPFA guidance the City Council will seek a balance between investment risk and return that prioritises security and liquidity over achieving a high return. Significant changes in banking regulation are continuing to be implemented to address some of the issues arising from the banking crisis, and unsecured lenders will be more exposed to losses from bank failure under EU and UK 'bail in' rules. The Council will consider secured forms of lending such as covered bonds and repo agreements, but these instruments are not generally available for short term and smaller size deposits. The Council's credit rating criteria have been reviewed in this context, and the Council will continue to make deposits only with institutions having 'investment grade' ratings as set out in the table below. The main criteria and processes which deliver this are set out in the following paragraphs.

### Specified Investments

- 4.8 The City Council will limit risks by applying lending limits and criteria for 'high credit quality' as follows:

**Table 14.3 Lending Criteria**

'Specified' short term investments (all in Sterling)	Short term rating*	Long term rating*	CITY COUNCIL Individual lending limit
Banks (including overseas banks) and Building Societies	F1+ /A1+ /P1	AA- /AA- /Aa3	£25m
	F1+ /A1+ /P1	A- / A- /A3	£20m
	F1 /A1 /P1	A- / A- /A3	£15m
	F2 /A2 /P2	BBB+ /BBB+ /Baa1	£10m
Sterling commercial paper and corporate bonds	F1+ /A1+ /P1	A- / A- /A3	£15m
Sterling Money Market Funds (short term and Enhanced)	AAA (with volatility rating V1 /S1 /MR1 where applicable)		£40m
Local authorities	n/a	n/a	£25m
UK Government and supranational bonds	n/a	n/a	none
UK Nationalised Banks and Government controlled agencies	n/a	n/a	£25m
Secured investments including repo and covered bonds	Lending limits determined as for banks (above) using the rating of the collateral or individual investment		

\* Fitch / S&P / and Moody's rating Agencies respectively. Institutions must be rated by at least two of the Agencies, and the lowest rating will be taken into account.

- 4.9 Money may be lent to the City Council's own banker, in accordance with the above lending limits. However, if the City Council's banker does not meet the above criteria, money may only be lent overnight (or over the weekend), and these balances will be minimised. Lending to local authorities may include the proposed WMCA, following its incorporation.

The Council may also provide short term supply chain finance (as described in Part 5 Chapter 7 paragraph 10) where the credit risk is based on the Council's own payment on the invoice due date, and in relation to invoices payable by other bodies meeting the above credit criteria.

- 4.10 Credit ratings are monitored on a real-time basis on information from the City Council's Treasury Management advisers, and the City Council's lending list is updated accordingly, when a rating changes. Other information is taken into account when deciding whether to lend. This may include the ratings of other rating agencies; commentary in the financial press; analysis of country, sector and group exposures; and the portfolio make up of Money Market Funds. The use of particular permitted counterparties may be restricted if this is considered appropriate.

Credit rating methodologies change from time to time, and in this event the Strategic Director - Finance and Legal may determine revised and practicable criteria seeking similarly high credit quality, pending the next annual review of this treasury management policy.

### **Non-specified investments and limit**

- 4.11 The City Council will limit non-specified investments to £400m (there are presently none), and will use only the following categories of non-specified investments:
1. Government stocks (or "Gilts") and other supranational bonds, with a maturity of less than five years. These may comprise up to 100% of non-specified investments.
  2. Corporate bonds, Certificates of Deposit (CD) or Commercial Paper (CP) with a maturity of less than three years, subject to the lending criteria in 4.8 above. These shall not exceed 25% of non-specified investments. This may include secured investments such as covered bonds and repo agreements.
- 4.12 Other categories of non-specified investments will not be used (such as 'over the counter' deposits of a year or more to financial institutions).

## Investment Maturity

- 4.13 Temporary surplus cash will be invested having regard to the period of time for which the cash is expected to be surplus. The CIPFA Prudential Code envisages that authorities will not borrow more than three years in advance, so it is unlikely that the City Council will plan to have surplus cash for longer than three years. However, where surplus cash for over 12 months is envisaged, it may be appropriate to include some longer term (non-specified) investments within a balanced risk portfolio. The following limits will be applied:

**Table 14.4**

**Prudential limits on investing principal sums for over 364 days:**

1-2 years	£200m
2-3 years	£100m
3-5 years	£100m

- 4.14 In making investments in accordance with the criteria set out in 4.5 to 4.13 above, the Strategic Director - Finance and Legal will seek to spread risk (for example, across different types of investment and to avoid concentration on lower credit quality). This may result in lower interest earnings, as safer investments will earn less than riskier ones.
- 4.15 The City Council does not currently use investment managers. However, if appointed, their lending of City Council funds would not be subject to the above restrictions, provided that their arrangements for assessing credit quality and exposure limits have been agreed by the Strategic Director - Finance and Legal.

## 5. Policy for HRA loans accounting

In accordance with the Government's 2012 reform of housing finance, local authorities need to determine their method for attributing debt and debt revenue consequences to the HRA. The City Council uses the 'two pool' method set out in the CIPFA Treasury Management Code. This method attributes a share of all pre-April 2012 long term loans to the HRA. Any new long term loans for HRA purposes from April 2012 are separately identified (starting from the £336.1m settlement payment). The detailed accounting policy arising from the 'two pool' method is maintained by the Strategic Director - Finance and Legal.

## 6. The Council acting as agent

- 6.1 The Council acts as intermediary in its role as agent for a number of external bodies. This includes roles as accountable body, trustee, and custodian, and these may require the Council to carry out treasury management operations as agent. The Council will apply any specific treasury policies and requirements of the external body and will follow relevant legislation, having regard to this Treasury Management Policy where appropriate. In relation to the short term

cash funds invested as accountable body, the Council expects to apply the investment policy set out above.

## **7. Reporting and Delegation**

- 7.1 A Treasury Management Strategy report is presented as part of the annual business plan to the City Council before the start of each financial year. Monitoring reports are presented quarterly to Cabinet, including an Annual Report after the year end.
- 7.2 The management of borrowings, loans, debts, investments and other assets has been delegated to the Strategic Director - Finance and Legal acting in accordance with this Treasury Policy Statement. This encompasses the investment of trust funds where the City Council is sole trustee, and other investments for which the City Council is responsible such as accountable body funds. The Director reports during the year to Cabinet on the decisions taken under delegated treasury management powers.
- 7.3 In exercising this delegation, the Strategic Director - Finance and Legal may procure, appoint and dismiss brokers, arranging and dealer banks, investment managers, issuing and paying agents, treasury consultants and other providers in relation to the City Council's borrowing, treasury investments, or other treasury instruments.
- 7.4 The Strategic Director - Finance and Legal maintains statements of Treasury Management Practices in accordance with the Code:
- |       |   |
|-------|---|
| TMP1  | Treasury risk management  |
| TMP2  | Performance measurement   |
| TMP3  | Decision-making and analysis  |
| TMP4  | Approved instruments, methods and techniques  |
| TMP5  | Treasury management organisation, clarity and segregation of responsibilities, and dealing arrangements |
| MP6   | Reporting requirements and management information arrangements  |
| TMP7  | Budgeting, accounting and audit arrangements  |
| TMP8  | Cash and cash flow management   |
| TMP9  | Money laundering  |
| TMP10 | Training and qualifications   |
| TMP11 | Use of external service providers   |
| TMP12 | Corporate governance  |

## **8. Training**

- 8.1 Planned and regular training for appropriate treasury management staff is essential to ensure that they have the skills and up to date knowledge to manage treasury activities and risks and achieve good value for the City Council. Staff training will be planned primarily through the City Council's performance and development review process, and in accordance with Treasury Management Practice 10. Briefings for councillors are also held as appropriate.

## APPENDIX 15: IMPROVING CHILDREN'S SERVICES ASSURANCE STATEMENT

As part of its commitment to improving children's services the Chief Executive, on behalf of the Council, has undertaken a 'test' of the effectiveness of the arrangements for the discharge of the duties of the Director of Children's Services (DCS) and the Lead Member for those services.

This test of assurance is to ensure that the focus on outcomes for children and young people will not be weakened or diluted as a result of adding other responsibilities.

The test concluded that:

- the 'Directorate for People' arrangement is the right configuration, with synergy seen as a clear benefit.
- the current Children Act 2004 arrangements are working – facilitating essential joined up approaches across safeguarding and education. Direct engagement of the DCS with schools is more difficult but the Interim Director of Education has prioritised that engagement and the Lead Member regularly visits schools.
- the DCS is able to play a corporate role and this is both necessary and effective.
- ensuring the right level of resource in the broadest sense is being driven effectively through the Future Council programme and respective Commissioners.
- current political arrangements are fit for purpose with evidence of improvement across children's services and recognition that children and young people need to be central to city and Council ambitions, with this to be articulated at political and other levels. But there is a need to strengthen political connections with respect to community cohesion.

In addition, the Strategic Director (as Director of Children's Services) has assured the Chief Executive and Members of the executive that there are sufficient financial, human, and other resources available to discharge the Council's statutory functions in respect of children's safeguarding.

Both these actions provide reassurance that the City Council is truly putting children's safeguarding centre stage for the long term in respect of whole Council ownership and prioritisation and resourcing.

## APPENDIX 16: PAY POLICY STATEMENT 2016/17

### 1. Introduction and Purpose

This Pay Policy Statement sets out the Councils approach to pay policy in accordance with the requirements of Section 38 to 43 of the Localism Act 2011 and takes account of the final guidance for 'Openness and Accountability in Local Pay' as issued by the Department for Communities and Local Government. The purpose of the statement is to provide transparency with regard to the Council's approach to setting the pay of its employees (excluding those working in local authority schools) by identifying;

- The methods by which salaries of all employees are determined.
- The detail and level of remuneration of its most senior employee's i.e. 'chief officers', as defined by the relevant legislation.
- The detail and level of remuneration of the lowest paid employees
- The relationship between the remuneration for highest and lowest paid employees
- The Committee(s)/Panel responsible for ensuring the provisions set out in this statement are applied consistently throughout the Council and recommending any amendments to the full Council.

Once approved by the full Council, this policy statement will come into immediate effect for the 2016/17 financial year and will be subject to review again for 2017/18 in accordance with the relevant legislation prevailing at that time. Where by the pay policy needs to be amended during the current financial year, any amendments will be subject to approval.

### 2. Legislative Framework

In determining the pay and remuneration of all of its employees, the Council will comply with all relevant employment legislation. This includes the Equality Act 2010, Part Time Employment (Prevention of Less Favourable Treatment) Regulations 2000, Fixed Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, The Agency Workers Regulations 2010 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations.

With regard to the Equal Pay requirements contained within the Equality Act, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of an equality proofed job evaluation scheme that directly relates an employee's salary to the requirements, demands and responsibilities of the role.



### 3. Senior Management Remuneration Policy

For the purposes of this statement, senior officer means 'chief officers' as defined within S43 of the Localism Act 2011. The 'Chief Executive is employed under the terms and conditions of the Joint National Council for Chief Executives and all other senior officers are under the terms and conditions for Joint National Council for Chief Officers.

The Council currently determines pay levels through a job evaluation process and grading structure that has been specifically designed for senior positions that determines the pay range for senior officers as defined by the Localism Act 2011. Progression within the pay range is performance based on assessment through the 'My Appraisal' process and approval by JNC panel. There was a cost of living increase applied on 1<sup>st</sup> January 2015 for senior officers (excluding those paid over £100,000 per annum) and there is no current increase from April 2016 at present. See Annex 1 for the current senior officer pay structure.

The Council has recently undertaken a job evaluation exercise with the intention of reviewing the current pay structure for senior officers. The review is not yet complete and is subject to consultation at the time of publishing this statement. Where it is completed within the period that this statement is covered relevant updates will be made to reflect any change to senior officer remuneration.

Those employees working in senior positions do not receive overtime payments and all other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council Policy. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

In particular, it is Council's policy that no Chief Officer or Senior Officer (paid under JNC conditions of service for Senior Officers) is paid a supplement for Returning Officer duties, whether in respect of local elections or national elections (e.g. General Elections, elections for European Parliament, national referenda etc). Fees paid in respect of these elections by Government are used to supplement the pay of non-senior officer employees who have worked on the relevant election.

### 3.1 Senior Management Positions

#### Chief Officers

The posts falling within the statutory definition for Chief Officers of the Local Government and Housing Act 1989, which covers the statutory officers and those others who report to the Chief Executive, are set out below:

- a) Chief Executive - The head of paid service defined under section 4(1) of that Act

The salary for the above post falls within a range of 10 incremental points from £182,500 rising to a maximum of £220,000. There is no additional supplement paid for returning officer duties incorporated into this role.

- b) City Solicitor - Monitoring Officer defined under section 5(1) of that Act.

The salary for the above post falls within a range of 7 incremental points between £99,144, rising to a maximum of £108,000. The role of Monitoring Officer is currently being undertaken on an acting basis whilst an appointment is made to the permanent role.

- c) Strategic Director (People) - A statutory chief officer designated under section 2(6) of that Act. This position has responsibility for both Children and Adult services.

The salary for the above post falls within a range of 7 incremental points between £138,135, rising to a maximum of £153,483.

- d) Executive Director Children's Services - A statutory chief officer defined under section 2(6) of that Act.

The salary for the above post falls within a range of 7 incremental points between £130,000 rising to a maximum of £137,500

- e) Strategic Director (Finance and Legal) – Section 151 Officer - A statutory chief officer defined under section 2(6) of that Act.

The salary for the above post falls within a range of 7 incremental points between £138,135, rising to a maximum of £153,483.

- f) Strategic Director (Major Projects) - A non-statutory chief officer defined under section 2(7) of that Act.

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The salary of the above post falls within a range of 7 incremental points between £138,135, rising to a maximum of £153,483.

- g) Strategic Director (Place) - A non-statutory chief officer defined under section 2(7) of that Act.

The salary of the above post falls within a range of 7 incremental points between £138,135, rising to a maximum of £153,483.

- h) Strategic Director (Change and Support Services) – A non-statutory chief officer defined under section 2(7) of that Act.

The salary of the above post falls within a range of 8 incremental points between £138,135, rising to a maximum of £153,483.

- i) Strategic Director (Economy) - A non-statutory chief officer defined under section 2(7) of that Act.

The salary of the above post falls within a range of 8 incremental points between £138,135, rising to a maximum of £153,483.

- j) Assistant Chief Executive – A non-statutory chief officer defined under section 2(7) of that Act.

The salary of the above post falls within a range of 8 incremental points between £82,620, rising to a maximum of £91,800.

- k) Director of Public Health – A statutory post under section 73A (7) of the NHS Act 2006

The salary of the above post falls within a range of 8 incremental points between £75,249, rising to a maximum of £101,451.

## Deputy Chief Officers

The positions in the table below are deputy chief officers as mentioned in section 2(8) of that Act, ie. those who report directly to any of the chief officers above:

Position Title	Directorate	Salary Range
Director of Human Resources	Corporate Resources	£99,144 - £108,000
Assistant Director - Revenues and Benefits	Corporate Resources	£90,882 - £100,980
Assistant Director - Corporate Strategy *	Corporate Resources	£82,620 - £91,800
Assistant Director - Procurement	Corporate Resources	£82,620 - £91,800
Assistant Director - Financial Strategy	Corporate Resources	£78,489 - £87,210
Assistant Director - Shared Services	Corporate Resources	£78,489 - £87,210
Assistant Director - Finance Economy	Corporate Resources	£78,489 - £87,210
Assistant Director - Financial Services	Corporate Resources	£78,489 - £87,210
Assistant Director - Audit and Risk Management	Corporate Resources	£70,227 - £78,030
Head of Service - Legal**	Corporate Resources	£52,911 - £68,672
Director - Property Services	Economy	£82,620 - £91,800
Assistant Director - Transportation and Connectivity	Economy	£74,358 - £82,620
Assistant Director - Employment	Economy	£70,227 - £78,030
Director - Health and Wellbeing	People	£99,144 - £108,000
Service Director - Commissioning Centre of Excellence	People	£99,144 - £108,000
Assistant Director - Finance People	People	£82,620 - £91,800
Assistant Director - Integrated Services North	People	£82,620 - £91,800
Assistant Director - Integrated Services East	People	£82,620 - £91,800
Assistant Director - Integrated Services South	People	£82,620 - £91,800
Assistant Director - Looked After Children Service	People	£82,620 - £91,800
Assistant Director - Early Help	People	£82,620 - £91,800
Chief Social Worker Officer	People	£78,489 - £87,210
Consultant - Children, Young People and Families - Public Health	People	£75,249 - £101,451 ***
Consultant - Public Health	People	£65,922 - £81,618 ***
Service Director - Homes and Neighbourhood	Place	£90,882 - £100,980
Service Director - Housing Transformation	Place	£90,882 - £100,980
Director - Fleet and Waste Management	Place	£90,882 - £100,980
Service Director - Regulation and Enforcement	Place	£90,882 - £100,980
Assistant Director - Equality, Community, Safety and Cohesion	Place	£82,620 - £91,800
Assistant Director - Finance Place	Place	£78,489 - £87,210
Assistant Director - Sports and Events	Place	£78,489 - £87,210
Assistant Director - Culture and Visitor Economy	Place	£74,358 - £82,620

\* Currently seconded outside BCC

\*\* There are nine posts that carry out this role

\*\*\* Currently on NHS pay scale due to TUPE

Although not required by statute for the policy statement the following are other senior officer positions within Birmingham City Council.

Position Title	Directorate	Salary Range
Assistant Director - Human Resources *	Corporate Resources	£82,620 - £91,800
Assistant Director - Human Resources Operations	Corporate Resources	£74,358 - £82,620
Assistant Director - Human Resources Strategy	Corporate Resources	£74,358 - £82,620
Assistant Director - Customer Services	Corporate Resources	£74,358 - £82,620
Assistant Director - Investment, Enterprise and Employment *	Economy	£78,489 - £87,210
Assistant Director - Regeneration	Economy	£70,227 - £78,030
Assistant Director - Education and Skills	People	£82,620 - £91,800
Assistant Director - Children with Complex Needs	People	£82,620 - £91,800
Assistant Director - Commissioning Centre of Excellence **	People	£82,620 - £91,800
Assistant Director - Workforce	People	£78,489 - £87,210
Assistant Director - Delivery	People	£78,489 - £87,210
Assistant Director - Education and Infrastructure	People	£78,489 - £87,210
Assistant Director - Specialist Care Services	People	£74,358 - £82,620
Area Coroner Birmingham and Solihull	Place	£78,489 - £87,210
Assistant Director - Fleet Waste Management	Place	£78,489 - £87,210
Assistant Director - Service Integration	Place	£74,358 - £82,620
Assistant Director - Adult Education Services	Place	£74,358 - £82,620

\* Currently seconded outside BCC

\*\* There are three posts that carry out this role

The senior officer positions will continue to be reviewed on a regular basis as part of the overall savings that have to be made by the Council due to the savings targets faced by local authorities in general over the next few years.

### 3.2 Recruitment to Senior Management Positions

When recruiting to all posts the Council will take full and proper account of its own Equal Opportunities, Recruitment and Redeployment policies. Appointments made at this level will occasionally include Council member representation as part of the recruitment process.

The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with the local JNC pay structure (further details can be found in Annex 1) and relevant policies in place at the time of recruitment. Where the Council is unable to recruit to a post at the designated grade, it will consider the use of temporary market forces supplements in accordance with its relevant policies.

Where the Council remains unable to recruit under an employment contract, or there is a need for interim support to provide cover for a vacant substantive senior management position, the Council will, where necessary, consider and utilise engaging individuals under 'contracts for service'. These will be sourced through the relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service.

### 3.3 Additions to Salary of Senior Officers

The Council does not apply any bonus to the salary of senior officers, however progression within the salary scales is performance related as mentioned under 3.0. There is no element of earn back for senior managers salaries and any incremental progression is currently consolidated into basic pay.

In addition to basic salary, set out below are details of other elements of 'additional pay' which are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties;

The following are applicable to all senior manager positions:

- A mileage allowance is paid to all employees using their own vehicle for work purposes and the payments are in linked to the approved HMRC rates (For current HMRC mileage rates please see <http://www.hmrc.gov.uk/payee/exb/a-z/m/mileage-expenses.htm>).
- There are currently no salary supplements or additional payments for undertaking additional responsibilities such as shared service provision with another local authority or in respect of joint bodies.
- Market forces supplements are paid where it is justified in order to fulfil a position.

### 3.4 Payments on Termination

The Council's approach to statutory and discretionary payments on termination of employment of senior managers, prior to reaching normal retirement age, is set out in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, Regulations 12 and 13 of the Local Government Pension Scheme (Benefits, Membership and Contribution) Regulations 2007.

Any other payments falling outside the provisions or the relevant periods of contractual notice shall be subject to a formal decision made by the full Council or relevant elected members, committee or panel of elected members or officer with delegated authority to approve such payments.

### 3.5 Comparators Influencing Pay Levels

For the purpose of context in the local government sector, Birmingham City Council is not only the largest local authority in the UK, but also the largest unitary authority in Europe serving over one million residents and has a revenue budget of c £3.1bn. The Council needs to maintain competitive pay levels in order to attract suitable candidates for more senior positions that can demonstrate sufficient skills, experience and capacity required at this level as would be evidenced for example by fulfilling a comparable role

in a large complex local authority. There is a very small pool from which to recruit with other authorities offering very competitive salaries considering their size. As a comparison the Core Cities group of councils that represents those of the largest eight economies outside London in England, chief executive remuneration ranges from £160,000 to over £200,000. For Liverpool and Manchester that serve a population of less than half of that of Birmingham, both the top salaries are over £200,000.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the council will use available benchmark information as appropriate.

#### **4. Non-Senior Officer Employees**

Based on the application of an analytical job evaluation process, the Council uses the nationally negotiated pay spine as the basis for its local grading structure with additional spine point (see Annex 2 for the BCC pay spine). Progression within the grading structure is based on contribution and linked to the outcome of the 'My Appraisal' process that assesses an employee's achievement against behaviours/values and meeting goals. This determines the salary of the large majority of the non-school based workforce, together with the use of other nationally defined rates where relevant such as Soulbury and JNC/YC. The Council presently adheres to national pay bargaining in respect of the national pay spine with the most recent increase effective 1 January 2015. There is a more recent national pay offer that is currently under consideration and the statement will be updated to reflect this change if it is approved and implemented from 1 April 2016.

##### **4.1 Recruitment**

New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.

##### **4.2 Lowest Paid Employees**

The lowest paid employee's under a contract of employment with the Council are employed on full time equivalent (FTE) salary in accordance with the minimum spinal column point (SCP) currently in use within the Council's grading structure. As at 1 April 2016, this is £13,635 per annum (SCP6).

The Council has chosen to pay a supplement to ensure the minimum FTE salary is £14,940 based on the 'UK Living Wage' equivalent of £7.85 per hour. Following the recent review of the UK living wage this has risen to £8.25 per hour which is an

equivalent of £15,701 FTE salary and will be implemented with effect from 01 April 2016 in line with the Council's policy to apply the revised rate on the April following its announcement. For the purpose of this pay policy statement the lowest paid employee's will be defined as those on a FTE salary of £15,701 based on the UK living wage hourly rate of £8.25 per hour. This supplement paid for the 'UK Living Wage' should not be confused with the lower rate of £7.20 per hour for 'National Living Wage' as announced by the Government that comes in to effect for employees aged 25 and over from 01 April 2016.

The statutory guidance under the Localism Act recommends the use of pay multiples as a means of measuring the relationship between pay rates across the workforce and that of senior managers, as included within the Hutton 'Review of Fair Pay in the Public Sector' (2010). The Hutton report was asked by Government to explore the case for a fixed limit on dispersion of pay through a requirement that no public sector manager can earn more than 20 times the lowest paid person in the organisation. The report concluded that the relationship to median earnings was a more relevant measure and the Government's Code of Recommended Practice on Data Transparency recommends the publication of the ratio between highest paid salary and the median average salary of the whole of the authority's workforce. Whilst the ratio between the highest and lowest paid employees within the Council does not exceed 20 times, the Council does not set a ratio ceiling within its pay policy for senior officers.

The current pay levels within the Council define the multiple between the lowest paid (FTE) employee (£15,701 based on the UK living wage) and the Chief Executive (£182,500) as 11.6:1 and between the lowest paid employee and average chief officer earnings (excluding Chief Executive £99,760) as 6.4:1. The multiple between the median full time equivalent earnings (£21,530) and the Chief Executive salary is 8.5:1 and; between the median full time equivalent earnings and the average chief officer earnings is 4.6:1.

#### **4.3 Accountability and Decision Making**

In accordance with the Constitution of the Council, the JNC Committee are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council.

### **5. Publication**

Upon approval by the full Council, this statement will be published on the Council's Website [www.birmingham.gov.uk/cosd](http://www.birmingham.gov.uk/cosd) and will also be available in additional formats by request. In addition, for employees where the full time equivalent salary is £50,000 or more, excluding employer superannuation contributions, the Council's Annual Statement of Accounts will include the number of employees in bands of £5,000.



## **Annex 1**

### **Birmingham City Council – Senior Officer Pay Spine**

This is the locally negotiated pay spine for senior officers covered by JNC terms and conditions of employment. These rates are effective from 01 January 2015, however SCP44 and above were not covered by the 2015 cost of living rise and have remained at the 2009 values.<sup>22</sup>

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<sup>22</sup> Note that SCP43 is no longer in use following the 1 January 2015 pay award

BCC Grade	Spinal Column Point	FTE Salary
L01	1	70,227
	2	71,528
	3	72,828
	4	74,129
	5	75,429
	6	76,730
	7	78,030
L02	9	74,358
	10	75,735
	11	77,112
	12	78,489
	13	79,866
	14	81,243
	15	82,620
L03	17	78,489
	18	79,943
	19	81,396
	20	82,850
	21	84,303
	22	85,757
	23	87,210
L04	25	82,620
	26	84,150
	27	85,680
	28	87,210
	29	88,740
	30	90,270
	31	91,800
L05	33	90,882
	34	92,565
	35	94,248
	36	95,931
	37	97,614
	38	99,297
	39	100,980

BCC Grade	Spinal Column Point	FTE Salary
L06	41	99,144
	42	100,980
	43	100,800
	44	102,600
	45	104,400
	46	106,200
L07	47	108,000
	49	105,300
	50	107,250
	51	109,200
	52	111,150
	53	113,100
L08A	54	115,050
	55	117,000
	75	130,000
	76	131,250
	77	132,500
	78	133,750
L08	79	135,000
	80	136,250
	81	137,500
	57	138,135
	58	140,693
	59	143,251
L10	60	145,814
	61	148,376
	62	150,930
	63	153,483
	65	182,500
	66	190,000
	67	193,750
	68	197,500
	69	201,250
	70	205,000
	71	208,750
	72	212,500
	73	216,250
	74	220,000

## Annex 2

### Birmingham City Council – NJC Pay Spine

The Birmingham City Council pay spine is based on nationally negotiated rates through the National Joint Council. These rates are effective from January 2015 and there have been no increases since that date.

BCC Grade	Spinal Column Point	FTE Salary
GR1	006*	13635
	007*	13736
	008*	13892
	009*	14096
	10*	14359
GR2	11*	14940
	12*	15544
	13	15962
	14	16231
	15	16572
	16	16969
	17	17372
	18	17714
GR3	19	18376
	20	19048
	21	19742
	22	20253
	23	20849
	24	21530
	25	22212
	26	22937
	27	23698
GR4	28	24472
	29	25440
	30	26293
	31	27123
	32	27924
	33	28746
	34	29558
	35	30178
	36	30978
	37	31846

BCC Grade	Column Point	FTE Salary
GR5	38	32,778
	39	33,857
	40	34,746
	41	35,662
	42	36,571
	43	37,483
	44	38,405
	45	39,267
GR6	46	40,217
	47	41,140
	48	42,053
	49	42,957
	50	44,343
	51	45,739
	52	47,132
	53	48,538
GR7	54	49,926
	55	51,422
	56	52,911
	57	54,419
	58	56,181
	59	58,012
	60	59,907
	61	61,866
	62	63,901
	63	66,001
	64	68,672

\* Indicates the payment of a living wage enhancement that would equate to an FTE salary of £15,701 with effect from 01 April 2016, although the size of any pay award could affect whether this enhancement is still required for Spinal Column Point 12.



**BIRMINGHAM CITY COUNCIL****PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>DIRECTOR OF PROPERTY</b>	
<b>Date of Decision:</b>	<b>16 FEBRUARY 2016</b>	
<b>SUBJECT:</b>	<b>DISPOSAL OF 150 – 152 GREAT CHARLES STREET, BIRMINGHAM</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 01222/2016</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b>	<b>X</b>
	<b>O&amp;S Approved</b>	<b>X</b>
<b>Type of decision</b>	<b>Executive</b>	
<b>Relevant Cabinet Member(s):</b>	<b>The Deputy Leader – Councillor Ian Ward, The Cabinet Member for Development, Transport and the Economy – Councillor Ali</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Waseem Zaffar, Corporate Resources Overview and Scrutiny Committee</b>	
<b>Wards affected:</b>	<b>LADYWOOD</b>	

<b>1. Purpose of report:</b>
1.1 The purpose of this report is to note the intention to dispose of 150-152 Great Charles Street, Birmingham (PAL 01654 and PAL 03980) as shown edged black on the attached plan at Appendix 1.
1.2 Financial details of the transaction are provided in the private report.
1.3 This matter was not included in the Forward Plan because there has been a problem with the CMIS system and although the item was loaded on the system on 21 <sup>st</sup> December 2015 it has not appeared on the Forward Plan until 21 <sup>st</sup> January 2016.

<b>2. Decision(s) recommended:</b>
That Cabinet:
2.1 Note this report.

<b>Lead Contact Officer(s):</b>	Basit Ali
	Birmingham Property Services
<b>Telephone No:</b>	0121 464 6771
<b>E-mail address:</b>	<a href="mailto:basit.ali@birmingham.gov.uk">basit.ali@birmingham.gov.uk</a>

<p><b>3. Consultation</b></p> <p>3.1 <u>Internal</u></p> <p>3.1.1 The Chief Executive and Chair of Corporate Resources Overview &amp; Scrutiny Committee have been consulted on and approved the submitting of this report to the February Cabinet meeting.</p> <p>3.1.2 Officers in Planning and Regeneration, Legal Services and City Finance have been consulted and are supportive of the report going forward. The Deputy Leader, the Cabinet Member for Development, Transport and the Economy have been consulted on the Cabinet report of the 20th May 2013, which declared the property surplus to requirements. Ladywood Ward Members (Councillor Sir Albert Bore, Councillor Carl Rice, and Councillor Kath Hartley) have been consulted on the proposed disposal and no adverse comments were received.</p> <p>3.2 <u>External</u></p> <p>None</p>	<p><b>4. Compliance Issues:</b></p> <p>4.1 <u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>4.1.1 150-152 Great Charles Street is part of the Central Administrative Buildings (CAB) which is a sub-programme of the Working for the Future (WFTF) Business Transformation programme. The programme has enabled the Council to continue to reduce the size of the underperforming administrative office portfolio.</p> <p>4.1.2 Release of the property from the Council's portfolio aligns resources and objectives to the priorities and strategic outcomes as per the 'Council Business Plan and Budget 2016+' specifically Succeed Economically, by the generation of a capital receipt from the disposal.</p> <p>4.2 <u>Financial Implications</u></p> <p>4.2.1 In line with the disposal strategy for the property a do nothing option removes an opportunity for the Council to raise a capital receipt. The disposal will generate a capital receipt for the Council and the purchaser will make a contribution towards Council's fees in relation to the disposal. Annual building running cost savings will also be delivered following the disposal.</p> <p>4.2.2 The capital receipts from the CAB properties are earmarked to the CAB business case approved by Cabinet in July 2009.</p> <p>4.2.3 An income stream flows to the Council from this property. Through the disposal of the property this income will pass to the purchaser.</p> <p>4.3 <u>Legal Implications</u></p> <p>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.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>4.4.1 An Equality Assessment (EA) was undertaken for this proposal, which confirms that a full EA is not required for the purposes of this report.</p>
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<b>5.</b>	<b>Relevant background/chronology of key events:</b>
5.1	150 – 152 Great Charles Street is a 6 storey building, which forms part of a wider 3.7 acre city centre block that comprises approx. 9 adjoining properties. The Council does not own any of the other properties in the wider block.
5.2	Both internally and externally the property is in poor condition.
5.3	The lower ground, ground and first floors of the property are let to the Heart of England NHS Foundation Trust (HEFT) on a long lease for use as a Chest Clinic. The operation of the Chest Clinic is not affected by this report.
5.4	The upper floors of the property remain vacant. They are not capable of re-use or letting without significant expenditure falling to the council.
5.5	As detailed in 4.1.1 the property was reviewed as part of the Council CAB sub-programme which rationalised the Council's back office portfolio. Accordingly the subject property was declared surplus by Cabinet on 20 <sup>th</sup> May 2013.
5.6	Details of the disposal terms and the preferred purchaser recommended for approval are included in the private report.
<b>6.</b>	<b>Evaluation of alternative option:</b>
6.1	To do nothing would remove the opportunity for a capital receipt.
6.2	Disposal of the upper floors in isolation would be impossible as they do not meet modern office standards required by likely purchasers. Re-use would require significant expenditure.
<b>7.</b>	<b>Reasons for Decision(s):</b>
7.1	To note the intention to dispose of 150-152 Great Charles Street.

Signatures		<u>Date</u>
Chief Officer	.....	.....
Deputy Leader – Cllr Ian Ward	.....	.....
Cabinet Member for Development, Transport and the Economy Councillor Tahir Ali	.....	.....

<b>List of Background Documents used to compile this Report:</b>
1. Officers file save for confidential

<b>List of Appendices accompanying this Report (if any):</b>
1. Appendix 1 – site plan.

<b>Report Version</b>	<b><u>Version 3</u></b>	<b>Dated</b>	<b><u>20 January 2016</u></b>
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Report to	CABINET	<i>Exempt information paragraph number – if private report: N/A</i>
Report of: Date of Decision:	Director of Property 16 <sup>th</sup> February 2016	
SUBJECT:	DISPOSAL OF 150 – 152 GREAT CHARLES STREET, BIRMINGHAM	
Key Decision: Yes	Relevant Forward Plan Ref: 001222/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved X O&S Chairman approved X	
Relevant Cabinet Member(s):	Councillor Ian Ward – Deputy Leader of the Council Councillor Tahir Ali – Cabinet Member for Development, Transport and the Economy	
Relevant O&S Chairman:	Councillor Waseem Zaffar - Corporate Resources	
Wards affected:	Ladywood	

**LATE REPORT**

**\* To be completed for all late reports, ie. which cannot be despatched with the agenda papers ie. 5 clear working days notice before meeting.**

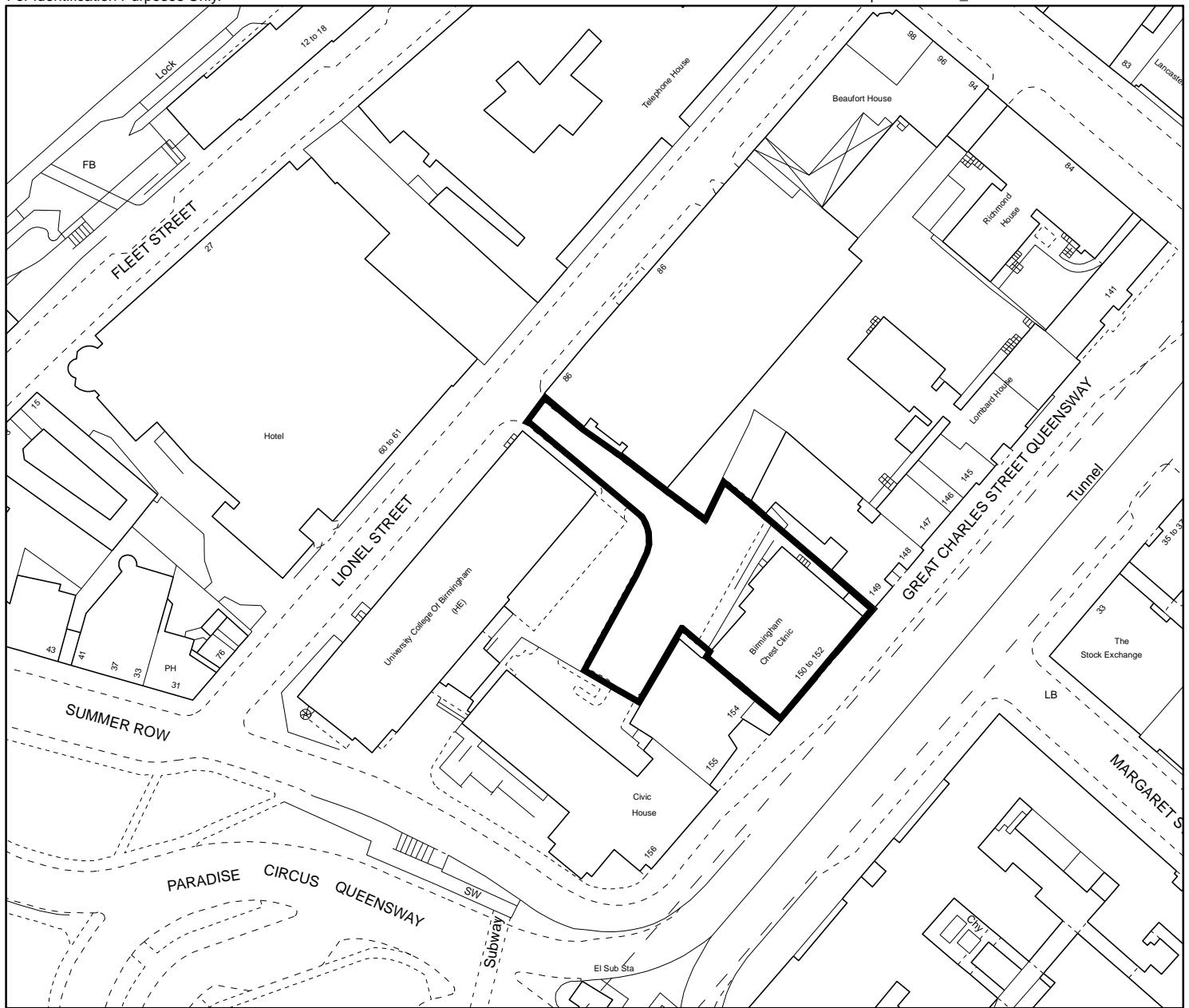
**Reasons for Lateness**

There has been a problem with CMIS and although the report was loaded on the system on 21<sup>st</sup> December 2015, it has not appeared on the Forward Plan until 21<sup>st</sup> January 2016. To prevent any problems the report is to be considered as not on the Forward Plan.

**Reasons for Urgency**

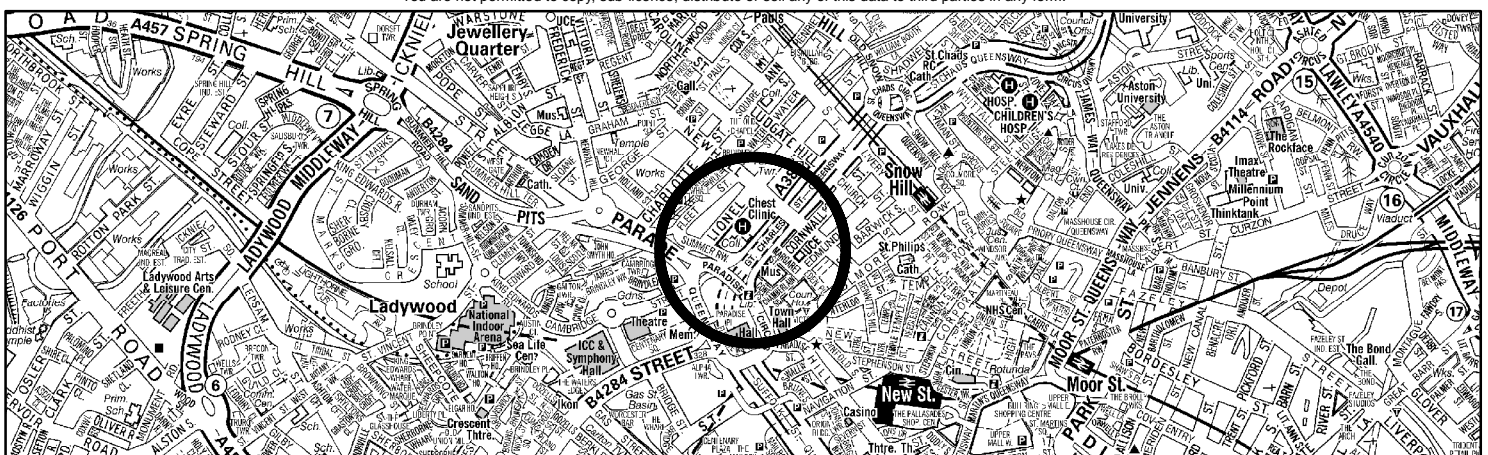
The purchaser has finance in place which needs to be committed by 31<sup>st</sup> March 2016 and therefore approval to the sale is sought and required by no later than the end of February 2016.





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Peter Jones BSc, MRICS  
 Director of Property  
 Birmingham Property Services  
 PO Box 16255  
 Birmingham B2 2WT

150 Great Charles Street



Page 271 of 788

Scale (Main Map)

1:1,250

Drawn

Paul Butler

Date

05/04/2013

O.S. Sheet: SP0687SE



# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director, Economy</b>
<b>Date of Decision:</b>	<b>16<sup>th</sup> February 2016</b>
<b>SUBJECT:</b>	<b>BIRMINGHAM SKILLS INVESTMENT PLAN</b>
<b>Key Decision: YES</b>	<b>Relevant Forward Plan Ref: NOT ON FORWARD PLAN</b>
<b>If not in the Forward Plan: (please "X" box)</b>	Chief Executive approved X O & S Chairman approved X
<b>Relevant Cabinet Member(s):</b>	<b>Councillor Penny Holbrook – Cabinet Member for Skills, Learning and Culture</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn, Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>All</b>

<b>1</b>	<b>Purpose of report:</b>
1.1	To seek Cabinet approval for the adoption of the Birmingham Skills Investment Plan.
1.2	To seek Cabinet approval to include the Birmingham Skills Investment Plan within the Council's Policy framework.
1.3	This matter was not included in the Forward Plan as initial advice received indicated that the Birmingham Skills Investment Plan document is to be referred to full Council this was not required. Subsequent discussion has now suggested that this is a Forward Plan item.
<b>2</b>	<b>Decision(s) recommended</b>
	That Cabinet:
2.1	Approve the contents of the Birmingham Skills Investment Plan and
2.2	Approves the Birmingham Skills Investment Plan for inclusion within the Council's Policy Framework and to progress to Full Council for approval according to Article 4 of the Constitution.
<b>Lead Contact Officer(s):</b>	Shilpi Akbar Assistant Director for Employment, Economy Directorate Tel: 0121 303 4571 E mail: <a href="mailto:Shilpi.akbar@birmingham.gov.uk">Shilpi.akbar@birmingham.gov.uk</a>

<b>3. Consultation</b>	
<p>3.1 <u>Internal</u>: The report and the attachments have been shared with the Cabinet Members for Children's Services and Inclusion and Community Safety. The report has been shared with the relevant Scrutiny Chairs and they support it going forward to the Executive for a decision. Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report. Relevant council officers and members were also interviewed as part of the overall consultation exercise in writing the Plan. The Chief Executive and the Chair of the Economy, Skills and Sustainability Overview and Scrutiny Committee have approved this report going forward for Cabinet approval.</p> <p>3.2 <u>External</u>. Extensive consultation has been undertaken as part of the process for developing the BSIP, including employers, Marketing Birmingham statutory bodies such as the Skills Funding Agency and Department for Work and Pensions; training providers including community and voluntary sector providers, Further Education colleges, universities and private training providers, schools and the Birmingham Education Partnership, representative organisations such as the Chamber of Commerce, CBI and Institute of Directors and the National Careers Service. The final draft version of the BSIP has also been subject to ongoing soft consultation with key strategic partners. A presentation has been made to the Board of CSR City. The Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) were involved in the commissioning of the consultants, and the final draft has been shared with the chair of the GBSLEP Employment and Skills Board and the Combined Authority (CA) employment and skills leads for comment.</p> <p>The outcome of the consultation was supportive of the need to provide a clear statement of skills needs in Birmingham and that if the market failure is to be successfully addressed; all partners must face those challenges together to change the landscape.</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 The proposal contributes towards the strategic outcomes outlined in the 'Council Business Plan 2016 specifically delivering 'a Prosperous City'. The BSIP seeks to address the whole range of issues which contribute to the problem of mismatch of supply and demand of skills in the City. Importantly the Plan is intended to bring forward and make visible learning and skills pathways, so that no-one gets left behind. It focuses on delivering a skilled workforce with the aim of attracting inward investment and added value to major physical regeneration projects.</p> <p>4.1.2 It will also contribute to the delivery of a 'Democratic City', as successful delivery of the BSIP will require integrated working with partners across all sectors.</p>	
<p>4.2 <u>Financial Implications</u> (Will decisions be carried out within existing finance and Resources?)</p> <p>There are no direct financial implications arising from the recommendations of this report. The BSIP will provide a framework for investment of existing resources both of the council and the wider city region. Any direct initiatives or changes to existing plans will be subject to the council's standard governance arrangements.</p>	

4.3	<u>Legal Implications</u>
4.3.1	<p>It is intended that the Birmingham Skills Investment Plan will, on Cabinet's agreement, be included within the Council's Policy Framework and therefore as a consequence will go to Full Council for approval according to Article 4 of the Constitution.</p> <p>The BSIP has been developed under the Council's general power of competence per Section 2 of the Localism Act 2011.</p>
4.4	<u>Public Sector Equality Duty</u>
4.4.1	An initial Equality Assessment (Ref EA001132) has been undertaken and is attached at Appendix Two. There are no adverse implications identified from the recommendations in this report.
4.4.2	The BSIP provides a way forward to deliver improved skills levels for Birmingham: young people, unemployed, and those in work to redress and level the playing field for all Birmingham residents who are disadvantaged in the labour market by reason of no skill, low skill or a skills mismatch.
<b>5</b>	<b>Relevant background/chronology of key events:</b>
5.1	The BSIP is a statement of current and future skills needs in the City, linked to jobs and economic growth. The BSIP is intended to address the whole range of issues which contribute to the mismatch of supply and demand, and to be jointly owned and implemented by stakeholders across the City. The BSIP will align with the wider growth ambitions articulated through the developing transport infrastructure (HS2 and Midland Metro extension), the Enterprise Zone and the developments in key growth sectors, all of which will create jobs and a demand for industry-relevant skills across the wider sub-region. Importantly there is a need to ensure that there are skills plans aligned to all major infrastructure and developments.
5.2	By making this clear statement of Birmingham's position the intent is to inform the behaviours of those with the spending power. The document takes into account the emergent West Midlands Combined Authority. With the advent of the Combined Authority spending decisions will, to some degree, lie with the local authorities and the LEPs. The current devolution deal will represent a fundamental shift from the current status quo where there is currently no localised strategic planning for skills funding.

- 5.3 The BSIP is a 10 year plan designed to join up, influence and optimise the use of employment and skills funding being deployed in the city now and in the future. It captures the predominant issues arising from low skill levels which impact on the economic well-being of individuals, communities, the city and regional economy. The investment in skills currently includes money and resources flowing into the city through intermediary bodies - public, private and voluntary sector training providers, government bodies such as DWP as well as resources that employers, schools and citizens themselves choose to invest in training and workforce development. Birmingham's large employers, including the City Council itself, will be paying the new Apprenticeship Levy to the government from April 2017, and there is a need to ensure that Birmingham benefits from the creation of more high quality apprenticeships that meet the skills needs of the City and that Birmingham residents can access. The levy rate is expected to be 0.5 per cent of an employer's payroll. How these combined resources are disbursed will be fundamental to increasing skills levels and the employability credentials of the working age population.
- Current Skills Funding Agency 2015/16 funding allocations for Birmingham Colleges alone are:
- Adult Skills Budget = £49m
  - Community Learning = £6.4m
  - 19+ Discretionary Learner Support =£5.5m
  - 24+ Advanced Learning Loans Facility & Bursary = £12m
- 5.4 The consequence of not increasing skills levels by 2026 will be:
- 174,000 low skilled people chasing 150,000 low skilled jobs – a surplus of 24,000 low skilled workers with an increasing risk of unemployment
  - 85,000 people with intermediate skills will chase 80,000 jobs – a surplus of 5,000 people
- Employers will struggle to recruit to the estimated 230,000 high skilled jobs with only 184,000 high skilled workers – a shortage of 46,000.
- 5.5 Moving away from percentages to numbers puts this challenge into context. Economic forecasting models show that an additional 78,500 residents<sup>1</sup> will need to be upskilled over the next ten years to match the national average of people qualified to Level 3 and above. Qualified young people (under 19) will account for approximately 10,500 (13%) but this means 87% or 68,000 adults who are already in the workforce will need to improve their qualifications.

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<sup>1</sup> Based on Office for National Statistics (ONS) data



5.6	<p>Following a full tender process, the Centre for Economic and Social Inclusion (CESI) was appointed to develop the BSIP. CESI is an independent policy and research organisation focusing on skills, full employment and inclusion.<sup>2</sup> Consultation has taken place with a wide range of stakeholders under the guidance of a Steering Group chaired by the Cabinet Member for Skills, Learning and Culture. Steering Group members included providers of Further and Higher Education, the Chamber of Commerce, community and voluntary sector, Skills Funding Agency and DWP. The results of the consultation have informed the key challenges and the proposed responses as set out in the BSIP. General consensus was reached emphasising the need to directly tackle the skills gaps and market failure.</p>
5.7	<p>The actions proposed in the BSIP needs to be owned by partners and driven by partners. The outcome of the consultation was supportive of the need to provide a clear statement of skills needs in Birmingham and that if the market failure is to be successfully addressed; all partners must face those challenges together to change the landscape. The BSIP sets out how the City Council will help meet these ambitions – together in a new partnership with business leaders, and education, training, and community leaders. It is therefore as much about the new way of working with partners as it is about implementing new solutions. The BSIP is backed up by the best information available on what employers are demanding now and what they will need in the future. This is set out in a separate report ‘Birmingham Skills: supply and demand’. The BSIP itself makes it clear that success is dependent on building on existing strong partnerships with all stakeholders through existing arrangements such as the Birmingham Youth Partnership and the Birmingham Employment and Skills Board (the local Board within the infrastructure for the Greater and Birmingham and Solihull Employment and Skills Board). The BSIP itself has been shared with our partners and stakeholders and their comments fed into the document. To move it forward successfully has to be a shared responsibility. We are therefore progressing with workshop sessions with all partners in order to:</p> <ul style="list-style-type: none"> <li>• agree the scope and partner contributions in each of the actions proposed</li> <li>• agree immediate priorities for action, KPIs, timescales and lead responsibilities.</li> </ul> <p>This will be in place before the end of February 2016.</p> <p>If approved by Cabinet and Full Council, following from the above actions a detailed Implementation Plan with milestones and leadership roles will be developed and signed up to by partners, subject to an impact and performance review at least twice a year.</p>

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<sup>2</sup> CESI have now merged with the National Institute of Adult Continuing Education (NIACE) to form The Institute for Learning and Work

5.8	<p>The context for the development of the BSIP is a complex interaction of social and economic strategies to encourage the retention of skills within the City, the engagement of young people and the attraction of new and growing businesses to Birmingham through the inward investment activity of Marketing Birmingham and the Greater Birmingham and Solihull Local Enterprise Partnership as well as the Midlands Engine for Growth. Although the BSIP is Birmingham specific, the model could be expanded and adopted more widely across the GBSLEP and Combined Authority area.</p> <p>Within the context of the devolution deal and the West Midlands Combined Authority we are aware and mindful of the functional economic area and the potential levers and opportunities that devolution of the Adult Education Budget and strands of the Work Programme will offer. But as a partner local authority the BSIP has set down the scope and nature of Birmingham's skills and employability challenges. It presents an opportunity to provide an overview of those areas ripe for channelling future investment; it will inform that investment but also, more importantly, offers an opportunity to influence current resources such as existing skills budgets, and the imminent Apprenticeship Levy which will be introduced in April 2017.</p> <p>It will support the delivery of the Birmingham Youth Promise and align with the work developing out of the Kerslake Review published in December 2014.<sup>3</sup> It will inform the delivery of the Youth Employment Initiative project – Birmingham and Solihull Youth Promise Plus.</p>
5.9	<p>Placing the BSIP into the Council Policy Framework will clearly place the statement of skills priorities within a broader range of policies related to economic development, connectivity, job growth, social exclusion and social cohesion. By implementing the policy proposals, the aim is to better target the resources, secure better skills and employment outcomes for all Birmingham residents and businesses resulting in a reduced reliance on in-work and out of work benefits.</p>
6	<p><b>Evaluation of alternative option(s):</b></p>
6.1.1	<p>By the end of March 2016 the Further Education infrastructure in Birmingham will have completed its area-based review. The City will need to press ahead against a backdrop of projected reductions in skills budgets and an incremental shift from national purchasing/commissioning of skills provision to employers and individual learners purchasing training and qualifications through student loans and apprenticeship levies. To do this in isolation from any clear statement of skills needs and will mean that this will not adequately address the market failure for skills as adults will still need to decide how best to invest in their skills and qualifications, schools, colleges and training providers will need to provide the qualifications and skills that employers need both now and in the future.</p>
6.1.2	<p>To wait for the proposed employment and skills strategy resulting from the West Midlands Combined Authority Devolution Deal would not recognise the impetus and will that exists within Birmingham stakeholders to urgently address the issues of skills shortages and low skills profile within the City.</p>
6.2	<p><b>Do Nothing:</b></p>

<sup>3</sup> <https://www.gov.uk/government/news/kerslake-report-birmingham-council-must-radically-improve>

6.2.1	To do nothing would mean that current market failure for skills delivery may persist without a shared understanding of how partners can work together not just to raise skills but to address disadvantage by using available resources to promote access to learning for communities with no or low skills.
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<b>7. Reasons for Decision(s):</b>
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7.1	To seek approval for the Birmingham Skills Investment Plan to be included within the Council's Policy Framework and therefore progress to Full Council for approval according to Article 4 of the Constitution,
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	Signatures	Date
Cabinet Member for Skills, Learning and Culture	.....	.....
Strategic Director, Economy	.....	.....

<b>List of Attached Documents</b>
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- |  |
|--|
| <ol style="list-style-type: none"> <li>1. Birmingham Skills Investment Plan</li> <li>2. Birmingham Skills: Supply and Demand</li> <li>3. Equality Analysis Report</li> </ol> |
|--|



# **Birmingham Skills & Employment Plan: 2016 to 2026**

# Contents

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## **Our Vision**

We live in a World-Class City-region, where no person gets left behind. Everyone has the opportunity to access high quality education and training leading to sustainable employment and lead a healthy, meaningful and prosperous life.

## **To achieve this**

We recognise that currently there is a gap in the skills of our citizens and those skills demanded by employers. There is a need to develop greater economic independence and personal resilience among our citizens.<sup>1</sup>

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<sup>1</sup> Post 16 Area Review Local Authority Position Statement – Birmingham – February 2016

# Executive Summary

## Birmingham Skills Plan

Birmingham's employers will be creating thousands of new jobs in the coming years. New major employers will be coming to Birmingham and our small and medium employers will be generating new jobs as well. We want Birmingham residents to succeed in getting these jobs and to reduce unemployment. This is a challenge for everyone – employers, individuals and our schools, colleges and training providers.

## Our Ambition

To get more of our residents into work and to catch up with other cities we have to set our sights high. This is why Birmingham's ambition needs to be:

- **70,000 new jobs** up to 2026
- An **employment rate of 67%** compared to 61.5% now
- A **reduction of 15,000 people** claiming welfare benefits.

Our local economy has created 13,000 new jobs over the last two years. A strong start but we still lag behind other cities – we have more unemployed and less of our workforce in jobs. We want to do more to create the right conditions for businesses to grow and thrive. Improving skills will help increase productivity and economic growth in the city.

Much is already being done but new efforts are needed to boost the skills and qualifications which employers say they will need. Over the next 10 years Birmingham employers are forecast to want many more people who are highly qualified. We will need 78,000 more people with 'A' levels (or equivalent), as well as people in high quality Apprenticeships. The consequences of not boosting skills will be a:

- **surplus of 24,000** low skilled workers
- **surplus of 5,000** medium skilled workers
- **shortage of 46,000** high skilled workers.

Everyone has a role to play in helping make Birmingham a learning city.

- **Young people** need to make informed choices about their careers



- **Adults** need to decide how to invest in their skills and qualifications
- **Employers** need to train their workers for a changing world of work
- **Schools, colleges and training providers** are not only excellent but providing the qualifications employers need.
- **National and local government** working together to make sure there are strong and effective policies and programmes

The Birmingham Skills Plan sets out how the City Council will help meet these ambitions – together in a new partnership with our business leaders, and our education, training, and community leaders. The Plan is therefore as much about the new way of working with partners as it is about implementing new solutions.

The Birmingham Skills Plan is backed up by the best information available on what employers are demanding now and what they will need in the future. This is set out in a separate report '**Birmingham Skills: supply and demand**'.

To meet the skills and employment challenge we are proposing **five main actions** to focus our efforts. Action Five commits the City Council to adopting the new partnership working model from the outset.

## 1. Skills for growth

Our aim is for Birmingham's education and training system to be better informed by what employers need – not just qualifications but employability as well.

Birmingham City Council will consult on how to improve skills and jobs information that can be used by everyone delivering and using education, skills and employment support. We will do this by:

- developing in partnership **new digital solutions** to increase access to information on **jobs, careers and training** for everyone
- create a **labour market information hub** for schools, universities, colleges and training providers – to inform the courses and qualifications they offer.

## 2. Helping young people decide

We intend that every Birmingham young person has access to excellent information, advice and guidance on academic and vocational pathways to a job and a career.

Our careers advice in the city is not good enough and needs modernising. It needs to be fit for purpose for the 21<sup>st</sup> century. This why we will build on Birmingham **Youth Promise** and plan to go further. We will:

- plan with partners a **Birmingham careers and jobs advice service**, building on the best of existing initiatives and promoting collaboration
- work with Jobcentre Plus and the Department of Work & Pensions to bring their **jobs market knowledge into schools**
- **work with business to deliver a step change** in how young people can experience the world of work by providing two weeks of work experience every year for every young person over 14 years old
- ensure there is a **gateway for all Apprenticeship opportunities** in Birmingham.

We want to take steps to help ensure everyone knows what their choices are - providing clear academic and vocational pathways to careers and how to pursue each pathway. We will:

- consult on how a **single accessible database** of provision can be developed
- consult on a **single application gateway** for post-16 provision.

### 3. Birmingham Employers Challenge

Our intent is that together with employers we can increase and improve work experience and training opportunities.

Employers can, and should, have more influence on how we improve the employability of the workforce. To achieve this we want to work with employers to:

- to **plan together the numbers and types of Apprenticeships** we will need in the coming years
- stimulate **many more Traineeships** and work experience placements
- **reduce employment rate gaps** for the most disadvantaged communities.

Birmingham's apprenticeship target should be 82,000 by 2020 – a significant stretch on before. To deliver improvement there will need to be new partnership arrangements at the city level, which will work closely with the Greater Birmingham and Solihull Local Enterprise Partnership.

In the future the City Council's commitment to Birmingham employers will be to demonstrate how Business Rates are used to: promote a more skilled workforce; stimulate apprenticeships and traineeships; and reducing the costs of recruitment.

## 4. Opportunity for all

We want to show that economic growth can benefit everyone. This means getting more of our unemployed off welfare and into sustainable employment.

With the new powers of the Combined Authority we will have a stronger influence over how funds for skills and employment can be spent in Birmingham. The challenge is significant with the ever increasing need for higher qualified people, but we can help everyone benefit by:

- continuing to **target efforts** on those areas of Birmingham with the highest number of claimants
- **working with Jobcentre Plus to widen opportunities** for basic skills training and relevant qualifications especially for Employment Support Allowance claimants
- **focusing the Adult Education Budget** on promoting access to learning for disadvantaged people
- using **public sector procurement** to increase opportunities for unemployed people.

## 5. Skills City Birmingham

Birmingham competes in a global economy and one of our advantages is our skilled workforce. This is why we will use every opportunity to promote Birmingham as 'Skills City'. Our efforts will be to improve collaboration across the city in how education and skills are delivered. To drive this forward we need a new partnership between our business leaders, our education, training, and community leaders, and the Council. At the same time we will look at the best of what is happening elsewhere in the UK and globally so we can build on success.

To help make this happen we will:

- **Review all of our partnership arrangements** for skills and employment
- commit to **a new high-level partnership** between our businesses, civic leaders and key stakeholder



# Introduction

The Birmingham Skills Plan sets out the skills challenge for Birmingham over the coming decade. Thousands of new jobs will be created in Birmingham with many demanding new skills and higher qualifications. Delivering strong economic growth, improved productivity and full employment in Birmingham will, in part, be dependent on how Birmingham responds to the skills challenge.

With the new **West Midlands Combined Authority** the City Council and its partners will need to work together across the region to boost skills and deliver the Midlands Engine for Growth. To deliver the Combined Authority's new responsibilities an **Employment and Skills Strategy** has to be developed.

The Birmingham Skills [and Employment] Plan is a contribution to the development of the Employment and Skills Strategy. It sets out the challenges and priorities for Birmingham, in the recognition that Birmingham is one partner in the new Combined Authority.

We have developed the Skills Plan to:

- clearly set out the skills challenge we have over the coming years
- stimulate more partnership planning for how we meet the challenges
- ensure that our adults and young people have the opportunities they need to succeed in tomorrow's labour market, especially for our disadvantaged communities.

The Skills Plan sets out the business growth sectors, the skills and qualifications that will be needed, and the jobs and careers that will be in demand. The detail of this is set out in a separate Technical Report.

The Council works closely with the **Greater Birmingham and Solihull Local Enterprise Partnership** (GBSLEP) to ensure policies are co-ordinated and the needs of the City are reflected in plans.

Individual learners (young and old) need choice and opportunity – to start a career, to change careers, to attain personal goals, and to get a sustainable job. This is why the City Council wants Birmingham to be seen as **Skills City** – where learning is valued and rewarded.

# A strong future for Birmingham

Birmingham is the regional hub for the West Midlands with over half a million people working in the city, an economic output of more than £22 billion per annum.

Birmingham has the advantage of a youthful population. We have many more young people than other cities. This will help us meet our future skills challenge, but only if we give our young people the best possible start.

However, up to 2026 there will not be enough young people to close the skills gap – we will also need to upskill adults who are already in the workforce.

## Boosting skills and jobs in Birmingham

Employment forecasts estimate there will be an additional 29,000 jobs created by 2026, but with the start of HS2 there will be many more. Indeed, rapid progress is being made with 13,000 new jobs created in the last two years

But we need to do more – our employment rate is the second lowest of all English core cities. The Birmingham economy needs to create even more jobs to close the employment gap with other cities, and an increasing proportion of these will demand high qualifications.

**Our ambition should be an extra 70,000 residents into employment by 2026 – increasing the present employment rate of 62% to 67%.**

This would halve the gap between Birmingham's current employment rate and the UK employment rate. It would also take us above the current English core city average of 66%.

This equates to 6,000 extra jobs every year to 2026. Over the last two years Birmingham has been on target to do this. Some of these jobs will be filled by people commuting into Birmingham but there are more than enough Birmingham residents to fill the additional jobs. In addition, a growing West Midlands economy will also give opportunities for Birmingham residents to find work outside of Birmingham and our skills ambitions will be supported by the Birmingham Mobility Plan to improve connectivity, making it easier for people to travel to jobs in Birmingham and across the region.

The challenge we face is **closing the skills gap** between the skills people have now and the skills employers will need in the future. If our employment ambition is

to be met, then employers in Birmingham will need more high qualified people, and fewer people with low or no qualifications.

The consequence of not increasing skills levels by 2026 will be:

- 174,000 low skilled people chasing 150,000 low skilled jobs – **a surplus of 24,000** low skilled workers with an increasing risk of unemployment
- 85,000 people with intermediate skills will chase 80,000 jobs – **a surplus of 5,000** people
- Employers will struggle to recruit to the estimated 230,000 high skilled jobs with only 184,000 high skilled workers – **a shortage of 46,000**.

## **Productive people, Productive businesses**

Economic growth will be restricted if employers can't recruit the skills and capabilities they need. It has been estimated that up to 25% of growth could be lost by not investing in skills.

The skill levels of Birmingham's population will have a strong bearing on the future prosperity of our workforce and the productivity of the Birmingham economy. With the current trend of more jobs in professional and technical occupations, the ability to compete in the labour market is increasingly dependent on higher level skills and qualifications.

When compared with the UK and other cities, Birmingham has a relatively low number of highly skilled residents and a higher number with low or no formal qualifications.

Nearly 16% of all working age residents have no qualifications and this rises to 27% for workless people. Furthermore, there are large differences between qualification levels of residents from different parts of the city and between different ethnic groups.

GCSE attainment levels in the city have undergone a significant improvement over the past decade and are now similar to the national average. However, the improvement in GCSE attainment has yet to pass through to a sufficient improvement in overall working age qualification levels.

Although there has been a small increase in the proportion with University degrees since 2005, all other core cities have seen significantly greater increases over the

same period. This has created a widening gap between Birmingham and the core cities – over the next 10 years we need to stop the gap widening and start to narrow it.

To help residents succeed Birmingham strategic partners will need to:

- help residents achieve the skill levels that employers will be demanding
- target initiatives to help disadvantaged communities
- new initiatives for those who are not claiming welfare benefits but want advice
- encourage those who want to progress in work by increasing their skills.
- seek to redress the gender imbalance in key sectors

Increasing the employment rate will not be achieved if the skills gap in Birmingham isn't addressed – employers need the skilled labour to recruit and to grow.

## **A more inclusive city**

In boosting the employment rate we also want to reduce the employment rate gaps for disabled people, ethnic minorities and other groups which struggle to find jobs.

Ethnic minority people have an employment rate of 51% compared to 68% for the white population – an ethnic minority employment rate gap of 17 percentage points. This is significantly above the national gap of 12.5 percentage points.

The employment rate for disabled people in Birmingham is 33% compared to an employment rate for non-disabled people of 69% - a disabled employment rate gap of 36 percentage points. This is slightly above the national gap of 33 percentage points.

The City is committed to halving the disabled employment rate gap over the next five years. In Birmingham this will mean helping 19,000 disabled people either stay in work or find work, of which around 6,000 could come from those on the Employment Support Allowance.

A thriving labour market will help but will not achieve this on its own; we need to make sure that tight resources are targeted on those that need them most.





# What do Birmingham's employers need?

## Who are employers recruiting now?

For the 12 months from September 2014 **172,000 vacancies in Birmingham were posted online**. In addition there will be other vacancies where employers recruit by word of mouth, often low skilled jobs.

The highest number of vacancies in the city has been for:

- Sales and marketing professionals and retail staff
- IT professionals
- Teaching and Health professionals
- Business professionals.

**These occupations cover nearly 50% of all vacancies advertised online.**

Whilst these vacancies cover the full qualifications spectrum there is a clear demand for 'professionals' where good qualifications are usually required. The skills and qualifications needed for the high demand occupations are:

- business management – including sales and marketing
- science and maths
- advanced and basic IT skills
- caring and health related skills.

Finding people with the right qualifications is only one aspect of the recruitment difficulties that employers face. Employers are clear that issues around employability, motivation and an absence of so-called 'soft' skills such as team-working and communication skills are a significant barrier to recruitment. Employers particularly report that young people lack the appropriate work ethic and attitudes to employment.

In a survey of employers there were some soft skills that are more difficult to find in Birmingham compared to the rest of the country. These include:

- planning and organisational skills
- written communication skills
- basic computer literacy
- foreign language skills.

To address the problem of finding people with the right qualifications skills **Birmingham employers spent more on advertising and recruitment** compared to the rest of the country. They also re-designed jobs and increased training for existing employees.

## Who will employers be recruiting in the future?

Employers say that the pace of technological change is leading to the need for new skills at a faster pace than ever before. To compete successfully they need employees with the skills to adapt to emerging demands.

Most new jobs in the West Midlands will primarily come from the private sector as reductions in public spending continue. However, jobs that are mostly funded by the public sector (including health and education) account for over a third of employment in the city<sup>2</sup>.

**Business and financial services:** This will be the sector with the largest number of job openings. It is estimated there will be 19,000 new jobs to be filled in Birmingham by 2022 and 71,000 jobs to replace workers who are retiring or leaving the labour market.

**Advanced Engineering & Manufacturing:** Overall, it is predicted that there will be 11,000 job openings in this sector up to 2022 in Birmingham. However, total employment will fall from present levels. It is estimated that future demand for STEM qualifications will outstrip supply.

**Information technology:** This sector mostly demands highly qualified people. Many students are doing basic IT courses but more need to move into higher level courses if the anticipated demand for IT skills is to be met. Overall, there will be 7,000 job openings in this sector by 2022 including 4,000 new jobs.

**Wholesale and retail:** Expansion in this sector will largely be due to an increase in professional and managerial positions. However, the level of churn means a large

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<sup>2</sup> These figures do not include employment projections for HS2, which is predicted to generate 65,000 jobs in the West Midlands up to 2022 – mostly spread over the manufacturing and construction sectors ('Getting our People Ready for HS2', Albion Economics, Solihull Observatory).

number of opportunities at the entry level for sales assistants and cashiers. Forecasts show a total of 29,000 job openings by 2022, but only 2,000 new jobs with the rest replacing retiring workers.

**Education:** There will be an increased demand for Level 3 and above qualifications, especially degrees. However, overall there will be fewer jobs in this sector. Forecasts show 21,000 job openings by 2022, a loss of 2,000 jobs on present levels in Birmingham.

**Health and Social Work:** Demand for more professional and managerial positions in the health sector is increasing. Higher qualified caring roles are in demand and will make up 75% of the predicted net gain in jobs for this sector of 9,000 to 2022. Overall, there will be 42,000 job openings in this sector by 2022.

**Construction:** It is predicted there will be 15,000 job openings in this sector by 2022 which includes 4,000 new jobs. Growth will be due to an increase in skilled trade occupations and professionals. Self-employed will make up to 36% of total employment.

**HS2** should also have a major impact in construction. Projections show an additional 65,000 jobs could be created up to 2022 during the build phase of the project. These jobs will be primarily in the fields of design, project management, civil engineering construction and specialist railway engineering.

## Summary of challenges

1. In Birmingham it is not a lack of demand for workers but a lack of supply of workers with the skills and qualifications which employers want.
2. How Birmingham uses the available information and data on the current and future skills demands of employers.
3. How can this information be used to align skills training, reduce skills mismatches, and reduce the costs for employers?

# What do Birmingham's people need?

## The all age skills challenge

Birmingham has a proud history of a skilled workforce but for too long has lagged behind on some of the key indicators:

- it has almost twice as many people with no qualifications (16%) compared to the UK average (9%)
- below average numbers of people with graduate level qualifications compared with the UK and other core cities
- less than half of the working age population are qualified to Level 3 and above, commonly considered to be a pre-requisite for a world class workforce.

One of the city's successes has been rising numbers of pupils achieving 5 or more GCSEs at A\*-C and Birmingham's performance now outstrips the England and core cities averages. Attainment rates of 5 GCSEs including English and maths are in line with the national average.

However, despite this improvement Birmingham has one of the lowest employment rates for 16-24 year olds (37%) in the country (51%) and youth unemployment is high.

Of greatest concern is that 1 in 8 young people aged 16-19 have no qualifications at all. Whilst this is in line with the national picture it leaves school and college leavers ill-prepared to meet the rising skills and qualifications needs of employers.

To match the national average of people qualified to Level 3 and above, an **additional 78,500 residents will need to be upskilled** over the next ten years. Qualified young people (under 19) will account for approximately 10,500 (13%) but this means 87% or **68,000 adults who are already in the workforce will need to improve their qualifications.**

Annually there are around 10,000 people (19 years and older) doing a Level 3 qualification in Further Education. This is a **shortfall of 7,000 adult students** if we are to meet the target of 78,500 more people with Level 3 by 2026.

We need to put balance back into the workforce. The demand to replace retiring workers will mean there will always be the need for people with lower qualifications, for example, in retail, hospitality and personal and protective services. But even these jobs require greater levels of numeracy, IT skills, customer service skills. It is important that a focus on priority sectors does not overlook the needs of employers and employees in these key enabling sectors.

The challenge is to consider how best to promote training, development and progression opportunities for those who are entering or are already employed in lower skilled positions. Lower skilled adults in work tend to be the least likely to be involved in training through their employer, and are at risk of becoming increasingly limited in their future employment chances and upward mobility.

## Getting on the right pathway

Forecasts for the West Midlands show that between 2015 and 2022 there will be:

- A 24% **rise** in the numbers needed with Level 4 qualifications
- A **fall** of 26% in the numbers of employees needed with no qualifications.

Local employers confirm these trends and say that the demand for workers with qualifications below Level 2 is declining as automation and capital investment de-skill core manufacturing jobs. Employers say they are more likely to look for people with degree level qualifications because of the fast pace of technological change.

**Despite rising levels of attainment, Birmingham stakeholders were clear in our discussions – the education and skills system does not provide young people with the skills, attitudes and motivation that employers need.**

There were strong and widely held views that:

- employability is not embedded in schools and insufficient young people follow vocational routes at Levels 3 and 4
- careers advice was inadequate or, at best, perceived as variable
- vocational learning is neither valued nor promoted by schools.

Competition between post-16 providers appears to unduly influence the advice that young people receive. There is a lack of confidence that schools have sufficient knowledge of different progression pathways at 16, particularly in relation to vocational options. Furthermore there was a perception of an insufficient fit between what employers need and subjects and levels being offered and studied.

**Consequently students do not always make sound choices for their future employment prospects.**

From the schools' perspective, up-to-date information on the labour market can be hard to find and the drive to improve academic performance means that the time allowed for employability-related activities is squeezed. Careers information is being pushed towards younger children so as not to impact on GCSE activity.

Engaging with employers is time-consuming and not always productive and work experience does little to encourage social mobility since students often have to use their own contacts to arrange placements. There is also said to be a confusing array of initiatives designed to support schools each with competing demands on teacher time.

A constant theme of stakeholder discussions was the perceived **lack of aspiration on the part of some young people and possibly their parents as well**. Whilst digital solutions to careers information can be a vital aid to some students, those with less motivation need face-to-face guidance and support, as much as information.

Apprenticeships are key for vocational learning and the city needs to play its part in realising the national ambition to increase the number of apprentices to 3 million by 2020. But in practice, the number of young people under 24 taking up apprenticeships in Birmingham was lower in 2014/15 than five years ago.

## **If you're out of work**

With one of the highest unemployment rates in the country, tackling worklessness is a priority for Birmingham. Those out of work are more likely to have low qualifications, and from an employer perspective, limited employability. More than half (53%) of those out of work are qualified at below Level 2 or have no qualifications, compared with 41% in the UK.

However, a lack of skills is often just one of the issues unemployed people face with, for instance, physical and mental health issues, language and care responsibilities all combining to form barriers to work. **The challenge is for how skills providers, Jobcentre Plus, the council and health can all work together to reduce barriers.**

Generally those out of work with low qualifications live in the more deprived parts of the city centre. This is why the **District Jobs and Skills Plans are important** for targeting resources on those areas that are the most deprived and helping partners

work together. Initiatives, such as **CSR City**, are important for engaging with employers on the impact of long-term unemployment on individuals and communities.

Quality labour market intelligence is also vital to ensure that people who are out of work benefit from information, advice and guidance and routes to learning, training and employment. **In our consultations, Birmingham partners were keen that there should be an 'all age' service supporting both young people and adults.**

DWP's Work Programme is the largest provision for unemployed people and almost one in ten of Birmingham's workers have been on it (see page XX). The view in Birmingham was that more could be done to improve access to skills training whilst on the Work Programme, and much more could be done to improve the number of people that get jobs.

## **If you're in work**

The majority of the 2026 workforce are already in work but fewer employers train their staff in Birmingham (62%) than in the UK (66%). There are also significant differences in those employees who receive training – part-timers, the lower qualified and people working for small firms lose out. However, on the positive side of all Birmingham employers:

- 47% have training plan, compared with 41% in the UK
- 32% have a training budget, compared with 30% in the UK.

The barriers to increasing levels of employer training are primarily due to employers considering that their staff do not need training, coupled with a lack of finance to invest in training, particularly amongst smaller employers. In the future employers will need to be encouraged to **co-invest in training and staff development**.

The evidence of low pay in the economy and in-work poverty suggests the need for a stronger emphasis on **promoting opportunities for progression** and training for those in lower skilled, entry-level positions. This issue is of particular importance given that many people leaving benefits take their first step on the 'jobs ladder' by accepting lower skilled, entry level work. We also recognise that **enterprise and self-employment** provide real opportunities and that require nurture and skills to grow.



## Summary of challenges

4. How best to promote training, development and progression for those in low skilled, low paid jobs?
5. How to better inform young people and their parents about the value of vocational pathways?
6. How skills providers, Jobcentre Plus, the council and health can all work together to reduce barriers for unemployed people?
7. What is the best way for employers and employees to co-invest in skills training?

# Participation in education, training, and employment support

## Education participation and budgets

After their GCSE's 89% of our young people stay on in education – about the same as the national average. But to close the qualifications gap we need to continue to reduce the number of 16-18 years olds who are not in education, employment or training (NEET) – helping them to continue to study or start an Apprenticeship or Traineeship.

Currently 7.2% 16-18 year olds are NEET in Birmingham, above the national average of 4.7%. Our first step should be to reduce our NEET numbers to the national average and then to move towards ensuring all our 16-18 year olds are in education and/or employment.

Participation in education for 16-18 year olds<sup>3</sup> is split between:

- 39% in school sixth forms
- 14% in Sixth Form Colleges
- 32% in Further Education Colleges
- 3% in Apprenticeships.

These vary slightly from the West Midlands and England averages in that there are fewer in Birmingham entering Further Education Colleges (West Midlands = 37%, England = 34%) and more entering Sixth Form College (West Midlands = 11%, England = 13%).

For everyone completing their A levels (or Level 3 equivalents) 51% go to University somewhere in the UK, compared to the England average of 48%. In addition, in 2013/14 it was thought that (on completing A levels or Level 3 equivalents), 21% went on to study at an FE College and 4% started an Apprenticeship. The rest would be either in employment, unemployed or economically inactive.

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<sup>3</sup> 5% to other providers and 9% activity not recorded because either not sustained, not sustained and recorded as NEET or unknown activity

**In 2013/14 there were 98,000 students at FE Colleges and other training providers. Of these, 22,000 were aged under 19 and 76,000 aged over 19.**

The total expenditure in Birmingham in 2015/16, for those aged 19 and over education and training, was around £73 million<sup>4</sup>. **From 2016/17 the new Combined Authority will have a greater influence over how some of these funds are to be spent.**

“It [the West Midlands Combined Authority] will develop a series of outcome agreements with providers, about what should be delivered in return for allocations in the 2016/17 academic year.”

How these funds are spent is an important resource in the upskilling needed in Birmingham and to further reduce the flow of low qualified people into the labour market.

The European Social Fund (ESF) also supports a wide range of training across Birmingham. Between 2011 and 2015 an estimated £32 million has been spent on projects targeting disadvantaged people of all ages.

For projects up to 2018 the European Social Fund and Youth Employment Initiative provide an equal share of £16.8 million each towards the £33.6 million EU funding contribution to the Youth Employment Initiative, which is ‘to promote the sustainable integration into the labour market of young people, in particular those who are not in education, employment or training (NEET).’

## **The Work Programme**

The Work Programme is the largest programme for long-term claimants (both JSA and ESA) in Birmingham. It was contracted nationally by DWP and Birmingham is part of a larger contract area.

Since it commenced in 2011 a total of 59,160 people have been referred to the programme. **This means almost one in ten of all Birmingham’s working age population have been through the Work Programme in the past four years.**

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<sup>4</sup> Skills Funding Agency 2015/16 allocations for Birmingham Colleges: Adult Skills Budget (now Adult Education budget) = £49m; Community Learning = £6.4m; 19+ Discretionary Learner Support = £5.5m; 24+ Advanced Learning Loans Facility & Bursary = £12m

Consequently if the programme is successful it should have a positive impact on reducing long-term unemployment in the city.

On average 25% or one in four got a sustained<sup>5</sup> job through the programme in Birmingham. This is the same success rate for the Core Cities and just below the national average of 26%.

However, the average covers a wide variation of performance for the different groups of people that join the programme. For example, young people on JSA were the most successful group with 34% getting a job.

There were many more JSA claimants (52,290) who were referred compared to 6,490 ESA claimants. In part this reflects the higher levels of JSA in Birmingham.  
**JSA claimants were much more successful in getting jobs (27%) compared to ESA claimants (10%).**

Whilst the ESA success rates are broadly comparable with the national average, **performance for people with disabilities and health problems is too low and will need to be the focus of concerted action in the future.**

## **What more needs to be done?**

There remain some significant issues in how skills training and employment support is planned in the city. What people have said to us is that there is:

- **A lack of genuine high level co-operation** at a strategic level
- Significant **concern about the level of funding** in future years, with significant reductions in adult skills funding
- **Too many initiatives** and a reluctance to let go of ones that aren't working and a perception that there remain duplication of services
- **poor careers advice leads to a mismatch** between subject choices and vacancies.

Each of these shows the need for radical steps for how we as a city:

- stimulate debate about the skills we need and how to deliver them
- consult, plan and fund provision in the future

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<sup>5</sup> 'Sustained' is defined as either six or three months employment depending on the disadvantage of the participant

- put right the deficit in careers advice.

## **Summary of challenges**

1. How do we further reduce NEETs?
2. Developing our priorities and targets for the devolved Adult Education Budget
3. Improving performance of the Work Programme up to April 2017 and co-commissioning a new programme
4. Providing more leadership and planning in skills and employment.

# What do we need to do?

## What can employers do?

### Apprenticeships

Employers have told us they recognise that by supporting apprenticeships they can play an active part in developing and shaping a future workforce which is better prepared to meet their needs.

Both public and private employers across Birmingham recognise they need to play their part in delivering the national ambition of three million apprenticeships by 2020. **Birmingham's share of the apprenticeship target is 70,000 by 2020** (if using the number of 18-24 year olds in the city). This is over 14,000 each year – a significant stretch of the 11,500 apprenticeships in 2014/15.

Birmingham's large employers will be paying the new Apprenticeship Levy from April 2017<sup>6</sup> and we need to ensure that Birmingham benefits by creating more high quality apprenticeships.

To deliver number of challenges, including:

- more work is needed to persuade **young people and their parents** that apprenticeships are a career path and can offer progression opportunities
- the **level of apprenticeships across different sectors varies significantly**, with some sectors making strong and effective use of apprentices while others are still not engaging as they might
- Some employers in supply chain firms and smaller businesses report finding it **hard to attract high quality apprenticeship applicants**. But there is strong demand by young people for apprenticeships with high-profile employers.
- Some employers, especially SMEs, believe the processes involved in recruiting and training apprentices are **too bureaucratic and complex**. Employers which have never had an apprentice need support to navigate the system.

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<sup>6</sup> The levy will be introduced in April 2017 at a rate of 0.5 per cent of an employer's pay bill. Employers will receive an allowance of £15,000 to offset against their levy payment, which will only be paid on pay bills in excess of £3m.

## Traineeships

One frequently reported challenge by employers relates to the work readiness of some young people, who too often leave education with a poor understanding of the demands of the world of work. For some employers this is as much of a concern as worries about the technical skills and abilities.

**For young people with low qualifications and little work experience Traineeships can help by providing a pathway to employment or an apprenticeship.** Many employers and partners feel that the full potential benefits of Traineeships are not being realised.

In Birmingham there are over 40,000 eligible young people who, at the moment, do not have sufficient qualifications or experience to succeed in competing for an apprenticeship. In 2014/15 in England just 19,000 young people started on a Traineeship. **Traineeship numbers need to be significantly improved.** Of those who did a Traineeship, 40% moved on to a job or an apprenticeship.

If Birmingham employers could offer more suitable work experience opportunities, then as a city we could start to increase the number of Traineeships. Local partners and central government need to ensure the support infrastructure and funding is available to deliver relevant training and support. **In the future Traineeships need to become as much part of the skills landscape as apprenticeships have now become.**

## Work experience guarantee

While apprenticeships and traineeships will play an increasingly important role, they are only parts of the solution to the challenge of effectively preparing all those entering the labour market for the first time.

All young people deserve the opportunity to develop their vocational awareness of the workplace alongside their academic studies. The city needs a step change in its level of engagement between employers and young people.

One way to achieve that step change is by extending the Youth Promise to work with schools and Further Education to offer all young people **a guaranteed two weeks of work experience each year from the age of 14.** One week would be in school/college time and would be compulsory and the other week would be voluntary and in a student's own time.

Employers throughout the City across all sectors and all sizes will need to step forward and engage with local schools, colleges and training providers to make this

a reality. Birmingham has some excellent examples of effective education business links and this best practice can be built on.

## Individuals and communities

### Effective Careers, Information, Advice & Guidance (CIAG)

The adequacy, effectiveness and impartiality of careers information, advice and guidance are something that many across the City agree should be a **priority for improvement**.

Given responsibility for CIAG lies with individual education and training providers there is a real need for a city-wide response to this issue. At its heart needs to be a public commitment from all those charged with delivering CIAG to place the individual and their needs at the centre of service delivery.

At the moment there is a widespread belief that a range of issues including, vested interests, inadequate resources and competing time pressures mean that some young people do not get the CIAG they deserve. **Financial and institutional interests need to be put firmly aside when advising young people on their futures.**

However, in the future everyone will need to take more responsibility for seeking information and advice about how they can progress in their career by investing in training. This may involve decisions about whether to take out a loan to pay fees to a college or university.

### Integrated approaches

Individuals are often put off and confused by what is on offer and whether training has to be paid for or not. As a City we need to commit to a more co-ordinated approach between different agencies and initiatives.

This particularly applies to organisations and initiatives delivering services to people who are out-of-work, which are not effectively co-ordinated. Too many organisations are only able to address single causes of unemployment rather than the multiple barriers which many face.

**Such an approach will need to be forged around a common set of outcome measures that all parties agree to work towards.** Key to success will be effectively drawing in those organisations from outside the traditional learning and employment arena, such as the NHS.



## Local solutions

While Birmingham is in many ways one City facing common challenges and opportunities, it is also a network of distinct and different communities and local labour markets.

The **District Jobs and Skills Plans** need to be built on still further, in order to exploit their full potential for integrating provision. These plans need to be jointly owned and seen as the key vehicle through which all local economic players in an area plan provision.

This neighbourhood approach to skills planning has a particularly important part to play in narrowing, and ultimately closing, the employment gap that exists between disadvantage communities and other areas of the City.

## Schools, Colleges, training providers and Universities

### Simplicity & Collaboration

The size, scale and diversity of Birmingham's skills and employment system undoubtedly create benefits for employers, individuals and society as a whole.

However, one of the consistent messages from employers, their representatives and wider stakeholders is that the **skills landscape in the City remains too complex, opaque and difficult to navigate.**

People are confused by the array of organisations and messages they receive. The myriad of initiatives and organisations involved in supporting the functioning of the labour market needs to be simplified and better co-ordinated.

The current **Area Based Review of Further Education** offers the potential for reducing competition between organisations, and a shift to a system in Birmingham which is **more explicitly centred on collaboration and specialisation.**

A commitment is needed from all those involved in the skills system to work together to focus on common access routes to the range of services and support that are available. These new routes could, for example, include:

- A **unified gateway for all apprenticeship opportunities** in Birmingham
- A **single assessable database of all learning opportunities** available across the City; and

- A **single post-16 gateway for all post-16 provision**, similar to UCAS for higher education.

While all of these options will need further work to assess their practicality and deliverability, the only way any new system will succeed is if it is forged on a shared understanding that the existing, fragmented system is not fit for purpose.

## Focusing learning provision

Given the continuing reductions in the funding available to support post-compulsory education and training, it is going to be even more important in the future that post-16 providers in the City focus on delivering learning and training that is proven to be effective and which is ever more closely linked to the needs of the economy.

In order to achieve this, those responsible for planning learning provision will need to **find even better ways of anticipating and responding to employer and economic needs**. Real-time LMI sources that are able to highlight areas of increasing demand or emerging recruitment difficulties are one such mechanism and need to become part of the standard data sources that are used to more closely align provision with future economic demand.

Learning providers will also have an increasing role in responding to **large-scale economic development projects** and in helping to plan that Birmingham has the appropriately people skilled people at the right time and in the right number in order to maximise the local benefit of these developments.

## Birmingham City Council

The City Council's role will need to be twofold. **Firstly, enabling Birmingham's partners to work together more effectively. Secondly, use its powers and statutory responsibilities to promote more opportunities for everyone.**

Enabling stronger partnership means improved dialogue and clearer mechanisms to articulate the skills ambitions of the city. This can be done by:

- **jointly reviewing the existing formal partnership arrangements** to ensure they are focused on planning city-wide action
- **improving the strategic leadership** for skills and training in the city, combining employers, the council and providers
- developing a **common and shared analysis** of the challenges, priorities, and actions

- ensuring **the needs of the City are reflected** in the policies of the new Combined Authority and the Local Enterprise Partnership.

The Council can use its existing powers and responsibilities to inform partnership planning and deliver more opportunities:

- significantly improve accurate and timely labour market information for use by everyone
- continue to support and develop the use of Council procurement and planning powers to target job and training opportunities on local residents, workless people and those most in need of additional support, work to date has been widely regarded as a model of best practice
- to improve the planning, targeting and use of resources by incorporating District Jobs and Skills Plans into city-wide action planning.

In the past the City Council has had few direct powers to influence the delivery and achievement of skills and employment programmes. This will change with the devolution of the Adult Education Budget and the devolution of new responsibilities to the West Midlands Combined Authority. Consequently this is will mean the City Council will need to **develop a partnership approach in building capacity** to deliver these new responsibilities.

## **Birmingham Jobcentre Plus and DWP**

DWP, and their contractors, play a central role in Birmingham in helping all claimants move into sustainable work. They have ambitious targets for reducing the time that people spend on benefits in Birmingham, which includes all young people (18-24 year olds) leaving JSA within 52 weeks.

Whilst DWP targets are focused on benefit off-flows, the Birmingham skills challenge needs to address the employability of benefit claimants so that they are better able to secure sustainable employment – off benefits and staying off benefits.

This means that the City Council wants to work locally with DWP to help increase the benefit off-flows to sustainable jobs. To achieve this we want improve how we work together and make sure our resources are aligned as much as possible. Much is already being done and existing initiatives can be built on:

- more co-location of advisors and services
- improving the sharing of labour market data

- reducing the bureaucracy for claimants by appropriate sharing of personal data
- planning together the use of DWP's Flexible Support Fund
- establishing robust referral processes from DWP to local provision
- identifying those people with basic skills needs and guaranteeing training with local providers.

DWP will be trialling the involvement of Work Coaches in providing careers advice in Birmingham schools. This is a welcome additional resource for careers advice and it will need to careful planning with schools and other careers provision to ensure consistency of advice to young people.

DWP's Work Programme contractors for Birmingham<sup>7</sup> also have challenging performance expectations – for themselves and by DWP. A high performing programme benefits local people and, until the programme ends in April 2017, there should be a common focus by all on how performance can be improved.

DWP's **new Work & Health Programme** from April 2017 will be co-commissioned between DWP and the Combined Authority. This will mean that Birmingham will have an opportunity to set out what it can offer and what outcomes the city would expect.

## Summary of actions and recommendations

1. How to encourage and support employers to offer more apprenticeships, traineeships, and work experience?
2. We need more advice for individuals but every person will also needs to take more responsibility for their training and progression
3. New mechanisms for more collaboration and specialisation such as an apprenticeship hub
4. The City Council and Jobcentre Plus sharing their capacity and developing together new more effective support for the unemployed and low skilled.

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<sup>7</sup> The Work Programme contract area covers Birmingham, Solihull and the Black Country.

# Skills City Birmingham

In the global economy Birmingham is one of Britain's greatest cities, and to thrive it needs world-class skills. There has always been a pride in Birmingham of its world-beating skills in manufacturing and technology. This same pride now has to be applied to the new industries and jobs Birmingham will be creating in the future.

To achieve this there needs to be active **co-investment in skills** by employers, local and national government, and individuals. Each has their part to play in creating **Skills City Birmingham**.

We think there are **five top priorities for action** now and in the future. This report has set out a number of challenges in each section and we summarise these as:

## Skills for growth

1. In Birmingham it is not a lack of demand for workers but a lack of supply of workers with the skills and qualifications which employers want.
2. There is good information on the current and future skills demands of employers.
3. What is the best way for employers and employees to co-invest in skills training?

## Helping young people decide

1. How to better inform young people and their parents about the value of vocational pathways?
2. How do we further reduce NEETs?

## Birmingham Employers Challenge

1. How can this information be used to align skills training, reduce skills mismatches, and reduce the costs for employers?
2. How to encourage and support employers to offer more apprenticeships, traineeships, and work experience?

## Opportunity for All

1. How best to promote training, development and progression for those in low skilled, low paid jobs?
2. Developing our priorities and targets for the devolved Adult Education Budget
3. Improving performance of the Work Programme up to April 2017 and co-commissioning a new programme
4. We need more advice for individuals but every person will also needs to take more responsibility for their training and progression

### **Birmingham Skills City**

1. How skills providers, Jobcentre Plus, the council and health can all work together to reduce barriers for unemployed people?
2. Providing more leadership and planning in skills and employment.
3. New mechanisms for more collaboration and specialisation, such as an apprenticeship hub
4. The City Council and Jobcentre Plus sharing their capacity and developing together new more effective support for the unemployed and low skilled.

Birmingham will have new opportunities and responsibilities within the new West Midlands Combined Authority to provide answers to these challenges. For the first time in a generation it will be able to directly influence how funds are spent on skills and employment support.

The initial focus will be on the **new Employment and Skills Strategy** which the Combined Authority has to agree with government. In addition, the **Area Based Review of Further Education** will set the framework for colleges for the coming years but Birmingham cannot allow this to be a one-off – it needs to be persistently working with partners to ensure the city's skills system is fit for purpose.

### **Our Ambition**

We want to do more to create the right conditions for businesses to grow and thrive. Much is already being done but new efforts must be made to boost the skills and qualifications which employers say they will need. Improving skills will help increase productivity and economic growth in the city, but if we don't increase skills sufficiently up to 25% of growth could be lost.

Everyone has a role to play in boosting Birmingham as a learning city.

- **Young people** need to make informed choices about their careers
- **Adults** need to decide how to invest in their skills and qualifications
- **Employers** need to train their workers for a changing world of work
- **National and local government** working together to make sure there are strong and effective policies and programmes
- **Schools, colleges and training providers** are not only excellent but providing the qualifications employers need.

The Birmingham Skills Plan sets out how the City Council will help meet these ambitions – not on its own but together with partners. To drive this forward we need a new partnership between our business leaders, our education, training, and community leaders, and the Council. The vision is therefore as much about the new way of working with partners as it is about implementing new solutions. These are interdependent elements of the same vision. Action 5 commits the City Council to adopting the new partnership working model from the outset.

Our **five points for action** are:

## 1. Skills for growth

**Our aim is for Birmingham's education and training system to be better informed by what employers need – not just qualifications but employability as well.** The Birmingham Skills Plan is backed up by the best information there is on what employers are demanding now and what they will need in the future.

Birmingham City Council will consult on how to improve skills and jobs information that can be used by everyone delivering and using education, skills and employment support. We will do this by:

- Working in partnership to develop **new digital solutions** to increase access to information on **jobs, careers and training** for everyone
- creating a **labour market information hub** for schools, universities, colleges and training providers – to inform the courses and qualifications they offer.

Over the next 10 years Birmingham will need more high qualified people but there will still be plenty of vacancies for people with fewer qualifications. However, there is a skills deficit in Birmingham – we will need 78,500 more people with 'A' levels (or

equivalent), as well as people in high quality Apprenticeships. Not reducing this skills gap will hold back growth in the city.

The education, skills and employment system is often complex and confusing for individuals and employers, but it can be informed by the jobs employers are recruiting to now, and where the new jobs are coming from in the future.

Good job and career decisions is not just about young people. Many adults want to get a new job, progress in their existing job or, for the unemployed, find a job. Especially for those with low skills and looking for work we need to improve their routes to not just a job but also better skills.

## **2. Helping young people decide**

**Our aim is that every Birmingham young person has access to excellent information, advice and guidance on academic and vocational pathways to a job and a career.**

In a complex world it's difficult for young people to decide their best route into work and a career. At the same time there has been reduced investment in advice and guidance to young people. Wrong decisions can have a large and long-lasting impact on what people earn. Wrong decisions also have an impact on Birmingham's economy – less people with the right skills.

The City Council hears widespread concern about the state of careers advice in Birmingham. We are determined to turn this around, but we can't do this on our own. Co-operation is needed across the board – education, employers, parents and national government. We need to put an end to the confusion and waste of resources caused by too many organisations working in isolation.

At the same time careers advice needs modernising. It needs to be fit for purpose for the 21<sup>st</sup> century

Our careers advice in the city is not good enough and needs modernising. It needs to be fit for purpose for the 21<sup>st</sup> century. This why we will build on our Birmingham **Youth Promise** and plan to go further. We will:

- plan with partners a **Birmingham careers and jobs advice service**, building on the best of existing initiatives and promoting collaboration
- work with Jobcentre Plus and the Department of Work & Pensions to bring their **jobs market knowledge into schools**



- **work with business to deliver a step change** in how young people can experience the world of work by providing two weeks of work experience every year for every young person over 14 years old
- ensure there is a **gateway for all Apprenticeship opportunities** in Birmingham.

We want to take steps to help ensure everyone knows what their choices are - providing clear academic and vocational pathways to careers and how to pursue each pathway. We will:

- consult on how a **single accessible database** of provision can be developed
- consult on a **single application gateway** for post-16 provision.

### 3. Birmingham Employers Challenge

**Our intent is that together with employers we can increase and improve work experience and training opportunities.**

It's not just qualifications that matter. Birmingham employers are clear they need employees who are not just well qualified but also motivated, with good team working and communication skills, and often excellent customer care skills.

This can't just be left to education and skills providers. Employers can, and should, have more influence on how we improve the employability of the workforce. This is especially true for young people and those who have been out of work for a long time. To achieve this we want to work with employers to:

- to **plan together the numbers and types of Apprenticeships** we will need in the coming years
- stimulate **many more Traineeships** and work experience placements
- **reduce employment rate gaps** for the most disadvantaged communities.

Birmingham's apprenticeship target should be 82,000 by 2020 – a significant stretch on before. To deliver improvement there will need to be new partnership arrangements at the city level, which will work closely with the wider Local Enterprise Partnership.

We support the national ambition to get 1 million disabled people into work over the next five years. In Birmingham this means 19,000 disabled people finding

employment, many of whom will be claiming sickness benefits. This is a significant challenge which is why we need to work with employers to:

- promote well-being at work and to prevent people losing their job because of poor health or disability
- work with health partners to prevent ill-health being a barrier to getting a job
- recruit more people with disabilities, including providing work experience.

In the future the City Council's commitment to Birmingham employers will be to demonstrate how Business Rates are used to: promote a more skilled workforce; stimulate apprenticeships and traineeships; and reduce the costs of recruitment.

## 4. Opportunity for all

**We want to show to show that economic growth can benefit everyone. This means getting more of our unemployed off welfare and into sustainable employment.**

The Birmingham economy needs more high qualified people but at the same time we must make sure that there are opportunities for our whole population, irrespective of their skill levels. Our focus needs to be on closing the skills and employment gaps with other cities. Put simply this means getting more of our unemployed people into sustainable employment.

With the new powers of the Combined Authority we will have a stronger influence over how funds for skills and employment can be spent in Birmingham. The challenge is significant but we can help everyone benefit by:

- continuing to **target efforts** on those areas of Birmingham with the highest number of claimants
- **working with Jobcentre Plus to widen opportunities** for basic skills training and relevant qualifications especially for Employment Support Allowance claimants
- **focusing the Adult Education Budget** on promoting access to learning for disadvantaged people
- using **public sector procurement** to increase opportunities for unemployed people.

## 5. Skills City Birmingham

**We will use every opportunity to promote Birmingham as 'Skills City'.**

Birmingham competes in a global economy and one of our key advantages is our skilled workforce.

Our efforts will be to improve collaboration across the city in how education and skills are delivered. To drive this forward we need a new partnership between our business leaders, our education, training, and community leaders, and the Council. At the same time we will look at the best of what is happening elsewhere in the UK and globally so we can build on success.

To help make this happen we will:

- **review all of our partnership arrangements** for skills and employment
- commit to **a new high-level partnership** between our business and civic leaders to deliver this plan

To help make this happen we will start by reviewing all of our partnership arrangements for skills and employment, but with a commitment to establish a new senior leadership partnership between our business leaders, our education, training, and community leaders, and the Council.

END



# Birmingham Skills: supply and demand

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## Summary

Birmingham has the second lowest employment rate amongst the English Core Cities and the highest unemployment claimant rate (see Chart 4 and Chart 8)

There are currently 700,000 working age residents in Birmingham<sup>1</sup>, of which:

- 431,000 are in employment – an employment rate of 61.6% (UK = 72.6%)
- Just over 50,000 who are unemployed – an ILO unemployment rate of 10.2% (UK = 6%)
- 218,000 who are economically Inactive – 31% of the working age population (UK = 23%)

There are just over 100,000 claiming out of work benefits<sup>2</sup>, of which:

- 30,000 are currently claiming Jobseekers Allowance (JSA) – 30% of all claimants (GB = 20%)
- 56,000 claiming Employment Support Allowance (ESA) – 55% of all claimants (GB = 65%)

To half the employment rate gap between Birmingham and the National rate an additional 70,000 jobs would be needed by 2025<sup>3</sup>. These additional jobs would need to come from:

- The predicted increase in the working age population of 45,000, of which 31,000 would be employed at the target employment rate of 67%
- Those who are 'economically inactive' which currently number over 200,000 with 53,000 wanting a job
- 20,000 who are ILO unemployed but not claiming JSA, of which we can expect to reduce by at least 5,000

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<sup>1</sup> Annual Population Survey March 2015, NOMIS

<sup>2</sup> DWP benefit claimant statistics, working age client groups, NOMIS

<sup>3</sup> Target rate is 67% - half way to the UK rate of 72.6%. In 2025 the working age population is set increase by 45,000 to 746,000 (ONS sub regional population projections). Therefore to achieve the target employment rate 500,000 residents will need to be in employment: an increase of 70,000 jobs to be filled by Birmingham residents.

- A reduction in the number of people claiming Jobseekers Allowance – currently 31,000 people which if reduced to the average for English Core Cities would mean 9,000 more in work
- A reduction in the number of people claiming ESA – there are 11,000 people in the ESA Work Related Activity Group which could be reduced by around 6,000.

The GBSLEP has a target of 119,000 private sector jobs to be created between 2010 and 2020. The figure includes both jobs created directly through the activities of the LEP but also all other job growth in the local economy. To date (2014) 85,173 jobs have been created - 47,769 of these were in Birmingham. Of the 33,827 jobs required to meet the target in 2020, we would expect around 18,600 to be in the city.

## Productive people, Productive businesses

Gross Value Added (GVA) per worker is a common measure of productivity. Figures show a relatively positive picture, with Birmingham performing better compared to other English core cities apart from Bristol, Leeds and Manchester<sup>4</sup>. In 2012, GVA per worker was just over £44K. The highest rate for English Core Cities was £49K for Bristol and the lowest was £41K for Nottingham.

One of the city's successes has been rising numbers of pupils achieving 5 or more GCSEs at A\*-C and Birmingham's performance now outstrips the England and core cities averages. Attainment rates of 5 GCSEs including English and maths are in line with the national average – see Table 13.

Nearly 16% of all working age residents in Birmingham have no qualifications and this rises to 27% for workless people – the 2<sup>nd</sup> highest after Liverpool when compared to other English Core Cities. Birmingham has the 2<sup>nd</sup> lowest proportion of working age residents with a level 4 or above qualification (when compared to other Core Cities in England - see Table 14). Forecasts (see Table 47) show a major shift in the current qualification levels is needed to meet the changes in employment. For the West Midlands there needs to be a 24% increase in those holding a level 4 or above qualification with a fall in lower levels, especially those with no qualifications (26% less) and level 1 qualifications (18% less).

To match the national average of people qualified to Level 3 and above (often used as definition of a 'world class' workforce), an **additional 78,500 residents will need to be upskilled** over the next 10 years. Increasingly qualified young people

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<sup>4</sup> Birmingham Local Economic Assessment, 2014

(under 19) will account for 13% of these but this means that 68,000 adults (19 and over who are currently below level 3) will need to improve their qualifications.

Currently 10,000 adults (aged 19 and over on a level 3 course, 2013/14) undertake some form of education and training each year (see Table 16), therefore an additional 7,000 adults are needed to undertake training or participate in education at level 3 to meet the target.

## **Reducing disadvantage**

In boosting the employment rate we also want to reduce the employment rate gaps for disabled people and ethnic minorities.

Ethnic minority people of working age have an employment rate of 51% compared to 68% for the white population – an ethnic minority employment rate gap of 17 percentage points. This is significantly above the national gap of 12.5 percentage points - see Table 6.

The employment rate for disabled people in Birmingham is 33% compared to an employment rate for non-disabled people of 69% - a disabled employment rate gap of 36 percentage points. This is slightly above the national gap of 33 percentage points - see Table 7.

The Government is committed to halving the disabled employment rate gap over the next five years. In Birmingham this will mean helping 19,000 disabled people either stay in work or find work, of which around 6,000 could come from those on ESA.

## **What do Birmingham employers need?**

By matching Further Education subject areas to relevant occupations (i.e. those subjects that offer a possible route to a career) we can see the ratio between the number of Birmingham students by subject and the number of vacancies linked to that subject – see Table 24.

This ratio doesn't only show a mismatch between Further Education subjects and vacancies but also a mismatch between allied subjects at the Higher Education level, which are needed to satisfy some of the demand. For colleges within Birmingham City the highest mismatch ratios are for the following subjects:

- Nursing and Subjects and Vocations Allied to Medicine
- Marketing and Sales
- Economics

- Public Services
- Manufacturing Technologies
- Teaching and Lecturing
- Retailing and Wholesaling
- Other Languages, Literature and Culture
- ICT Practitioners.

A similar analysis<sup>5</sup> of **Higher Education subjects** (for Birmingham Universities) shows that:

- In percentage terms, the largest areas of shortfall are in Business and Administrative studies, where annual student numbers are over 50 per cent below the forecast demand, and in Medicine and Dentistry, where there was a shortfall of over 40 per cent.
- There were five subject areas where there appeared to be an oversupply of provision. These were: Mass Communications and Documentation; Physical Sciences; Languages; Biological Sciences; Historical and Philosophical studies.
- Furthermore, on leaving University a relatively high proportion of graduates in these subjects do not work in a related industry, and instead work in lower skilled jobs, such as administrative, sales and customer service occupations. This was particularly so for Mass Communications and Documentation, and Historical and philosophical studies, and less so for Physical and Biological Sciences.
- Recent trends in first year student numbers suggest that provision is reducing in those areas of oversupply where graduates are most likely to end up working in lower skilled and lower paid jobs
- There has been growth in a number of Science, Technology, Engineering and Mathematics (STEM) subjects, reflecting the strategic importance of STEM to the national economy.

Many of the in-demand occupations need higher qualification levels but employers will also need occupations below the manager and professional level. Local employers have reported that they find it difficult to fill vacancies in Birmingham for Administrative, clerical and Sales/customer service occupations – see Chart 17 and Chart 19.

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<sup>5</sup> CESI, Future skills priorities for Birmingham and the West Midlands, 2014 – A report Birmingham City University

## Who will employers be recruiting in the future?

Most new jobs in the West Midlands will primarily come from the private sector as reductions in public spending continue, although the public sector will still be the largest employer.

Chart 33 shows employment numbers for West Midlands<sup>6</sup> major sectors. The Chart shows both 'replacement demand' (new workers needed to replace those retiring or leaving the labour market) and 'expansion demand' (new jobs as a result of economic growth). Replacement demand is the most significant factor in the demand for new labour, but with some sectors showing strong expansion demand. These figures do not include employment projections for HS2, which is predicted to generate 65,000 jobs in the West Midlands up to 2022 – mostly spread over the manufacturing and construction sectors – see Table 49.

The following describes job growth and qualifications needed for the major sectors in Birmingham (figures below 10,000 should be used with caution).

**Business and financial services:** Birmingham needs more of its residents to take up jobs in this sector as it is the biggest growth sector. Growth will be due to higher level occupations requiring higher level qualifications. Administrative, secretarial and elementary opportunities will still be available due to replacement demand. Overall, there will be 350,000 job openings in this sector by 2022 made up of 76,000 new jobs in the West Midlands. Of these, it is estimated there will be 19,000 new jobs to be filled in Birmingham by 2022 and 71,000 jobs to replace workers who are retiring or leaving the labour market.

**Advanced Engineering/Manufacturing:** Recent trends show an increase in employment in the West Midlands, with a large increase in Process, Plant and Machine Operative and Skilled trade jobs. However, long-term forecasts show a fall due to advances in new technology. Currently future demand for STEM qualifications will outstrip supply plus precise technical skills will be mixed with more general aptitudes for project management and problem solving as factories become more technologically advanced. Overall, it is predicted that there will be 82,000 job openings in this sector by 2022 in the West Midlands - a fall of 20,000 from present levels – this is mostly made up of a fall in skilled trades and plant, process and machine operative occupations. Of these, it is predicted that there will be 11,000 job openings in this sector up to 2022 in Birmingham. However, total employment will fall from present levels.

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<sup>6</sup> The lowest geographical level this analysis can be done

For **HS2** a large majority of jobs will be in the civil engineering field with the construction of the tunnels, structures and stations, each of which account for broadly one-fifth of all jobs. Specialist railway engineering jobs only account for around 11% of projected employment, although these are on average more highly skilled.

**Information technology:** This sector demands highly qualified people. Evidence shows that many students are doing basic IT courses which are needed for administrative roles but more need to move into higher level courses if demand for specific IT skills such as website analytics is to be satisfied. Overall, there will be 37,000 job openings in this sector by 2022 including 14,000 new jobs. Of these there will be 7,000 job openings in this sector by 2022 in Birmingham including 4,000 new jobs.

Analysis of recent vacancies show that if people are looking to move up to becoming a Senior Web Developer then having programming skills using specialist software will give a job seeker a good chance of being interviewed for the job.

**Wholesale and retail:** Expansion in this sector will largely be due to an increase in professional and managerial positions and therefore those with higher qualifications. However this is a good sector for those with lower level qualifications as the level of churn means opportunities at the entry level for sales assistants and cashiers. Forecasts show a total of 172,000 job openings by 2022 but only 11,000 new jobs with the rest made up of job replacement. In Birmingham there will be a total of 29,000 job openings by 2022, but only 2,000 new jobs with the rest replacing retiring workers.

**Education:** Demand for more professional teaching positions is increasing and therefore an increased demand for level 3 and above qualifications but especially degrees and higher (Masters). Caring occupations within the sector are in demand: these could be at the nursery level or student welfare officers for those with special education needs. Forecasts show 90,000 job openings in this sector by 2022, a loss of 7,000 jobs on present levels in the West Midlands. For Birmingham, forecasts show 21,000 job openings by 2022, a loss of 2,000 jobs on present levels.

**Health and Social Work:** Demand for more professional and managerial positions in the Health sector is increasing and therefore an increased demand for Level 4 and above qualifications. Again, higher qualified caring roles are in demand and will make up 75% of the predicted 39,000 new jobs in this sector by 2022. Overall, there will be 186,000 job openings in this sector. Of these 42,000 will be in Birmingham, including 9,000 new jobs.

**Construction:** It is predicted there will be 80,000 job openings in this sector by 2022 - a net growth of 19,000 new jobs from present levels. It is predicted there will be 15,000 job openings in Birmingham which includes 4,000 new jobs. Growth will be due to an increase in skilled trade occupations and professional. Self employed will make up to 36% of total employment. According to the Construction Industry Training Board (CITB) shorter term growth (the next five years) will be led by investment in the private housing and commercial sectors, this means that demand for some trades will be higher than others. Jobs in demand in the West Midlands in the next five years include:

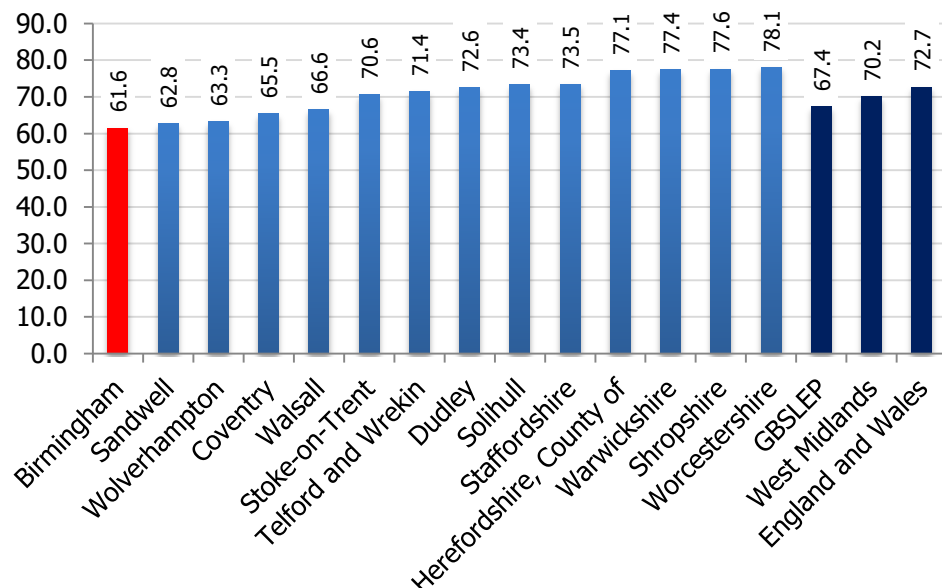
- Wood trades and interior fit-out
- Electricians
- Bricklayers
- Building envelope specialists
- Construction process managers.

**HS2** should also have a major impact in this sector. Projections show an additional 65,000 jobs could be created up to 2014 during the build phase of the project. A large proportion of HS2 construction jobs will be on a contract basis, which means that the actual labour requirement is unlikely to greatly exceed 10,000 jobs in any one year. These jobs will be primarily in the fields of design, project management, civil engineering construction and specialist railway engineering

# Current labour market and skills

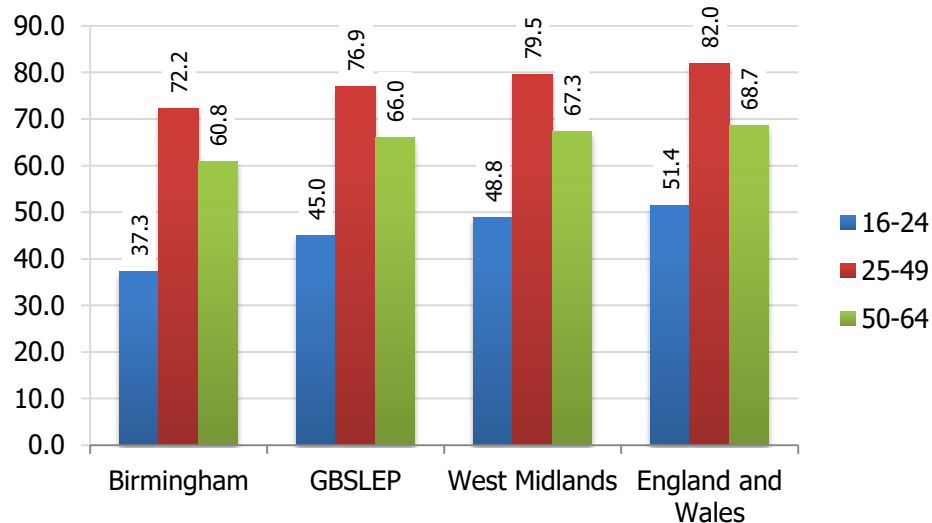
## Employment

**Chart 1 Employment rate, working age: West Midland authorities, 2014/2015**



Source: Annual population survey – resident based via NOMIS. Rates as a proportion of working age population.

**Chart 2 Employment rates by age, 2014/2015**



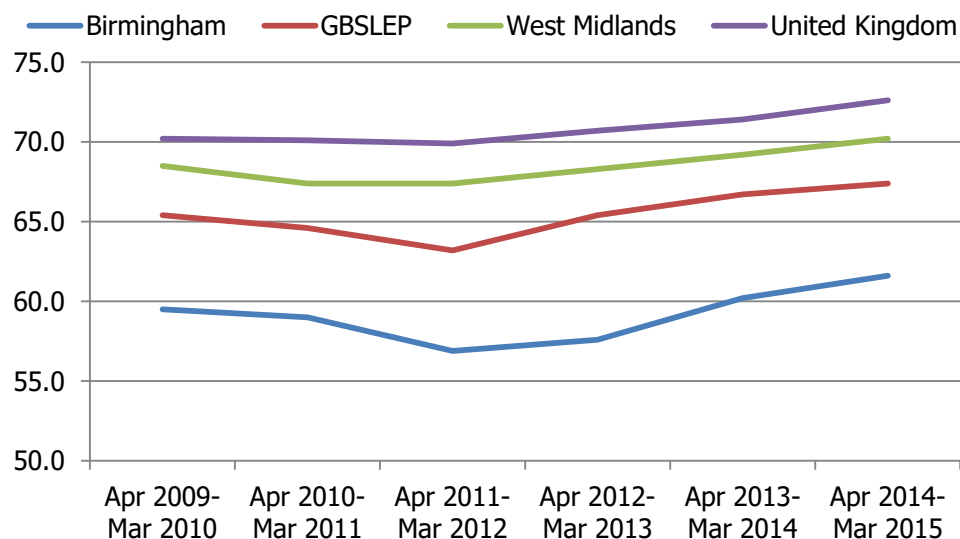
Source: Annual population survey – resident based via NOMIS. Rates as a proportion of working age population.



**Table 1 Employment rates by age, 2014/2015**

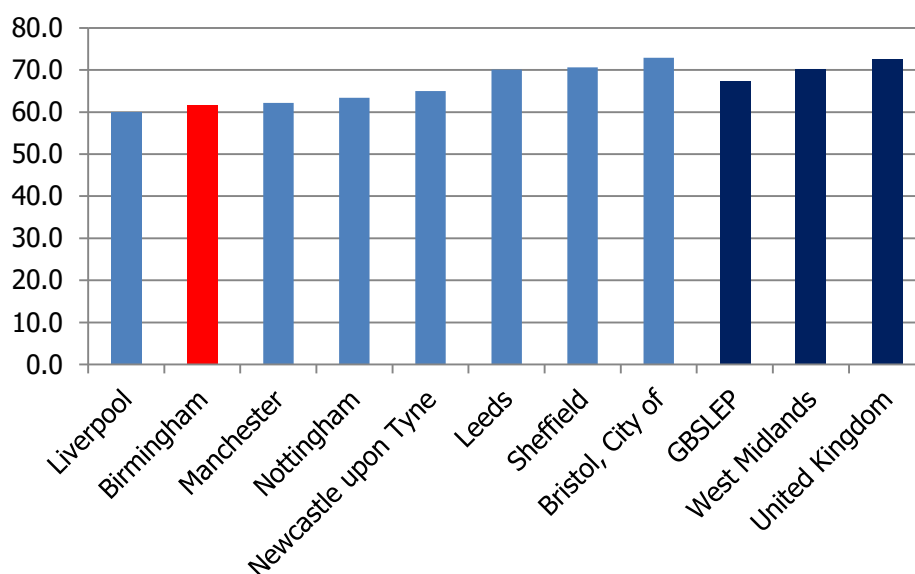
Area	Age group			
	16-64	16-24	25-49	50-64
<b>Birmingham</b>	<b>61.6</b>	<b>37.3</b>	<b>72.2</b>	<b>60.8</b>
Sandwell	62.8	38.1	74.1	59.1
Wolverhampton	63.3	36.4	71.7	64.1
Coventry	65.5	42.5	74.6	66.6
Walsall	66.6	40.7	76.1	65.5
Stoke-on-Trent	70.6	59.3	80.4	58.5
Telford and Wrekin	71.4	55.6	78.2	68.9
Dudley	72.6	61.4	78.2	68.5
Solihull	73.4	42.5	84.1	74.4
Staffordshire	73.5	57.8	82.3	68.4
Herefordshire, County of	77.1	63.3	84.3	72.1
Warwickshire	77.4	53.9	88.7	71.4
Shropshire	77.6	52.9	87.5	74.2
Worcestershire	78.1	64.3	86.8	71.9
GBSLEP	67.4	45.0	76.9	66.0
West Midlands	70.2	48.8	79.5	67.3
England and Wales	72.7	51.4	82.0	68.7

Source: Annual population survey – resident based via NOMIS. Rates as a proportion of working age population.

**Chart 3 Employment trends, working age, 2010 to 2015**

Source: Annual population survey – resident based via NOMIS.

**Chart 4 Employment rates, English core cities, working age, 2014/2015**



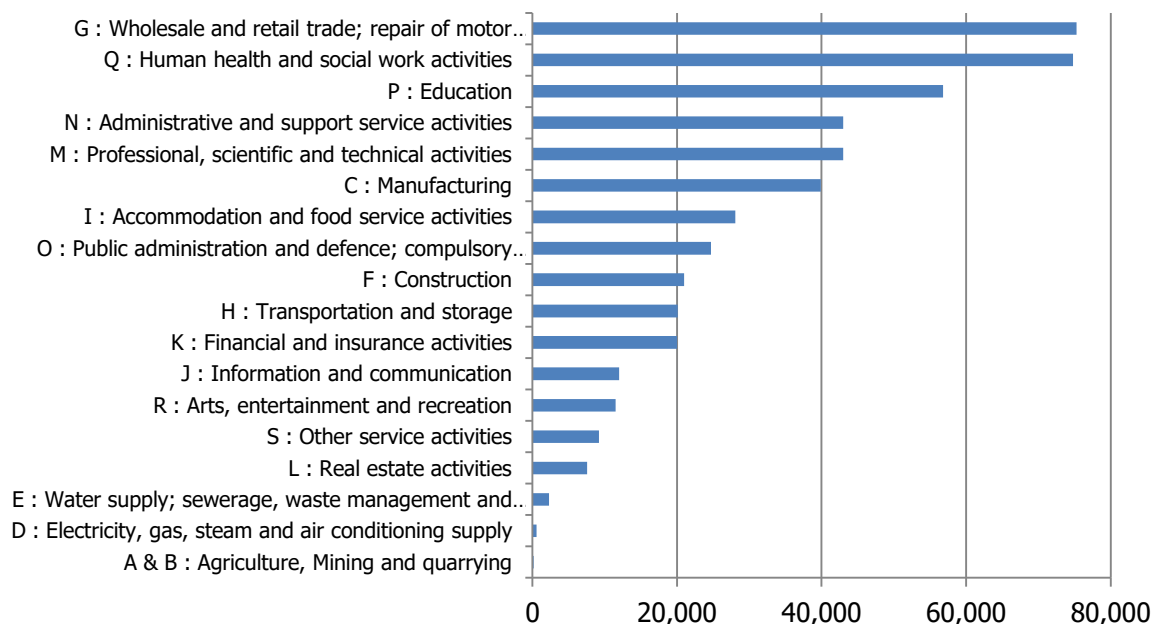
Source: Annual population survey – resident based via NOMIS.

**Table 2 Employment trends, English core cities, working age, 2010 to 2015**

	Apr 2009- Mar 2010	Apr 2010- Mar 2011	Apr 2011- Mar 2012	Apr 2012- Mar 2013	Apr 2013- Mar 2014	Apr 2014- Mar 2015
Liverpool	60.3	59.9	59.6	60.2	61.2	60.0
Birmingham	59.5	59.0	56.9	57.6	60.2	61.6
Manchester	58.2	58.9	58.8	61.2	62.0	62.2
Nottingham	57.0	54.2	59.6	59.0	59.9	63.4
Newcastle upon Tyne	60.2	64.5	62.8	60.6	60.3	65.0
Leeds	68.8	69.3	67.4	68.8	69.0	70.1
Sheffield	65.8	66.3	63.9	69.0	68.7	70.6
Bristol, City of	71.5	74.8	69.9	71.1	70.0	72.9
GBSLEP	65.4	64.6	63.2	65.4	66.7	67.4
West Midlands	68.5	67.4	67.4	68.3	69.2	70.2
United Kingdom	70.2	70.1	69.9	70.7	71.4	72.6

Source: Annual population survey – resident based via NOMIS.

**Chart 5 Workplace employment by sector, working age: Birmingham, 2014**



Source: Business Register and Employment Survey (BRES)

**Table 3 Workplace employment trends by sector, working age: Birmingham, 2009 to 2014**

Sector sections	2009	2010	2011	2012	2013	2014
A & B : Agriculture, Mining and quarrying	-	-	-	100	-	200
C : Manufacturing	39,900	40,300	37,100	36,900	39,300	39,900
D : Electricity, gas supply	-	1,000	1,200	1,300	1,600	600
E : Water supply	2,600	2,700	2,700	2,500	2,500	2,300
F : Construction	18,900	18,600	18,300	16,500	16,000	21,000
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	69,800	68,600	66,000	71,100	70,600	75,300
H : Transportation and storage	18,500	18,100	24,100	19,800	17,800	20,100
I : Accommodation and food service	25,800	22,600	25,500	26,600	26,500	28,100
J : Information and communication	13,300	13,000	10,700	10,300	11,100	12,000
K : Financial and insurance activities	27,300	26,100	27,100	27,200	24,600	20,000
L : Real estate activities	6,200	5,500	7,200	7,700	7,400	7,600
M : Professional, scientific and technical	30,400	29,100	33,500	35,400	38,100	43,000
N : Administrative and support service	36,200	36,500	42,200	40,600	41,200	43,000
O : Public administration and defence	32,000	24,500	33,000	29,800	34,400	24,700
P : Education	56,000	65,800	48,300	46,900	53,100	56,800
Q : Human health and social work activities	64,000	67,900	70,800	73,700	74,200	74,800
R : Arts, entertainment and recreation	7,800	9,700	9,300	9,600	9,800	11,500
S : Other service activities	8,600	7,100	9,100	8,100	9,700	9,200
T : Activities of households as employers	-	-	-	-	-	-
U : Activities of extraterritorial bodies	-	-	-	-	-	-
<b>Total</b>	<b>458,500</b>	<b>457,100</b>	<b>466,200</b>	<b>464,100</b>	<b>477,800</b>	<b>490,300</b>

Source: Business Register and Employment Survey (BRES)

**Table 4 Workplace employment trends by sector, working age:  
Birmingham, 2009 to 2014. Index (2009 = 100)**

<b>Sector sections</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
A & B : Agriculture, Mining and quarrying	-	-	-	-	-	-
C : Manufacturing	100	101	93	92	98	100
D : Electricity, gas supply	-	-	-	-	-	-
E : Water supply	100	104	104	96	96	88
F : Construction	100	98	97	87	85	111
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	100	98	95	102	101	108
H : Transportation and storage	100	98	130	107	96	109
I : Accommodation and food service	100	88	99	103	103	109
J : Information and communication	100	98	80	77	83	90
K : Financial and insurance activities	100	96	99	100	90	73
L : Real estate activities	100	89	116	124	119	123
M : Professional, scientific and technical	100	96	110	116	125	141
N : Administrative and support service	100	101	117	112	114	119
O : Public administration and defence	100	77	103	93	108	77
P : Education	100	118	86	84	95	101
Q : Human health and social work activities	100	106	111	115	116	117
R : Arts, entertainment and recreation	100	124	119	123	126	147
S : Other service activities	100	83	106	94	113	107
T : Activities of households as employers	-	-	-	-	-	-
U : Activities of extraterritorial bodies	-	-	-	-	-	-
<b>Total</b>	<b>100</b>	<b>100</b>	<b>102</b>	<b>101</b>	<b>104</b>	<b>107</b>

Source: Business Register and Employment Survey (BRES)

**Table 5 Employment by occupation and sector, workplace based, working age: Birmingham, 2010 to 2015**

Total employment 2009-10							
Occupation \ Sector	Manufacturing	Construction	Distribution, hotels & restaurants	Transport & Communication	Banking finance & insurance etc.	Public admin education & health	Total
Managers, Directors and Senior Officials	6,600	5,100	12,200	1,400	9,400	10,400	48,600
Professional Occupations	4,600	4,000	1,200	8,400	17,900	63,900	105,000
Associate Prof & Tech Occupations	7,000	2,900	5,200	4,200	18,400	26,100	70,300
Administrative and Secretarial Occupations	4,200	2,100	9,000	3,300	22,000	21,100	65,700
Skilled Trades Occupations	9,700	16,800	6,300	1,700	2,900	1,900	40,600
Caring, Leisure and Other Service Occupations	-	-	-	1,400	2,400	47,300	56,300
Sales and Customer Service Occupations	-	900	23,100	1,600	8,300	2,700	37,300
Process, Plant and Machine Operatives	6,300	3,700	5,100	15,200	1,500	2,000	34,800
Elementary occupations	4,000	1,700	14,200	3,400	9,100	15,300	50,600
All	42,400	37,200	76,300	40,600	91,900	190,700	509,200
Total employment 2014-15							
Occupation \ Sector	Manufacturing	Construction	Distribution, hotels & restaurants	Transport & Communication	Banking finance & insurance etc.	Public admin education & health	Total
Managers, Directors and Senior Officials	5,300	3,500	10,900	2,900	10,200	10,300	45,800
Professional Occupations	4,400	6,700	1,600	9,300	19,400	75,000	122,200
Associate Prof & Tech Occupations	9,600	2,000	6,400	5,600	19,300	27,300	78,200
Administrative and Secretarial Occupations	5,600	2,300	4,900	6,500	17,800	22,700	64,600
Skilled Trades Occupations	14,600	13,000	9,300	2,600	4,500	3,000	49,300
Caring, Leisure and Other Service Occupations	-	-	1,200	-	1,500	41,600	52,800
Sales and Customer Service Occupations	1,700	-	27,700	2,500	8,500	1,600	42,000
Process, Plant and Machine Operatives	14,000	4,300	5,600	12,600	2,000	2,200	42,400
Elementary occupations	5,300	700	21,900	4,800	9,800	12,500	57,100
All	60,500	32,500	89,500	46,800	93,000	196,200	554,400
Change from 2009-10 to 2014-15							
Occupation \ Sector	Manufacturing	Construction	Distribution, hotels & restaurants	Transport & Communication	Banking finance & insurance etc.	Public admin education & health	Total
Managers, Directors and Senior Officials	-1,300	-1,600	-1,300	1,500	800	-100	-2,800
Professional Occupations	-200	2,700	400	900	1,500	11,100	17,200
Associate Prof & Tech Occupations	2,600	-900	1,200	1,400	900	1,200	7,900
Administrative and Secretarial Occupations	1,400	200	-4,100	3,200	-4,200	1,600	-1,100
Skilled Trades Occupations	4,900	-3,800	3,000	900	1,600	1,100	8,700
Caring, Leisure and Other Service Occupations	-	-	-	-	-900	-5,700	-3,500
Sales and Customer Service Occupations	-	-	4,600	900	200	-1,100	4,700
Process, Plant and Machine Operatives	7,700	600	500	-2,600	500	200	7,600
Elementary occupations	1,300	-1,000	7,700	1,400	700	-2,800	6,500
All	18,100	-4,700	13,200	6,200	1,100	5,500	45,200

Source: Annual population survey - workplace analysis via NOMIS.

Highest employment and change Lowest employment and change

**Table 6 Employment rates by ethnic group, working age, Apr 2014-Mar 2015**

	white	ethnic minority	Percentage point GAP	mixed ethnic group	Indians	Pakistanis/ Bangladeshis	Black or black British	other ethnic group
Sheffield	74.6	50.6	<b>24.0</b>	63.2	69.4	51.5	54.3	39.2
<b>Birmingham</b>	<b>68.5</b>	<b>51.1</b>	<b>17.4</b>	<b>70.1</b>	<b>64.7</b>	<b>43.3</b>	<b>54.8</b>	<b>44.4</b>
Newcastle upon Tyne	67.0	52.7	<b>14.3</b>	76.2	51.6	54.5	48.5	51.7
Nottingham	66.8	53.0	<b>13.8</b>	77.2	46.0	47.0	56.5	48.0
Liverpool	61.7	48.8	<b>12.9</b>	32.1	63.0	54.6	51.0	40.8
Bristol, City of	74.8	63.2	<b>11.6</b>	73.3	85.2	61.1	61.7	43.7
Leeds	71.7	60.9	<b>10.8</b>	61.9	70.9	58.1	58.0	59.2
Manchester	65.0	56.7	<b>8.3</b>	58.1	81.3	54.2	59.8	47.7
GBSLEP	72.4	52.8	<b>19.6</b>	69.5	66.1	45.5	56.5	44.0
West Midlands	73.4	55.6	<b>17.8</b>	60.3	66.8	47.6	57.4	47.3
United Kingdom	74.3	61.8	<b>12.5</b>	64.3	71.1	51.9	62.9	60.3

Source: Annual population survey – resident based via NOMIS.

**Table 7 Employment rates by disability, working age, Apr 2014-Mar 2015**

	EA core or work-limiting disabled	EA core disabled	work-limiting disabled	All disabled	not EA core or work-limiting disabled	Percentage point GAP
Liverpool	25.7	24.9	19.0	23.4	71.0	<b>47.6</b>
Leeds	43.2	42.6	34.1	40.5	76.7	<b>36.2</b>
<b>Birmingham</b>	<b>35.0</b>	<b>34.3</b>	<b>30.7</b>	<b>33.5</b>	<b>69.4</b>	<b>35.9</b>
Manchester	38.0	36.5	30.9	35.4	70.4	<b>35.0</b>
Sheffield	45.9	44.2	36.0	42.6	77.1	<b>34.5</b>
Bristol, City of	47.8	47.6	41.4	45.9	78.3	<b>32.4</b>
Newcastle upon Tyne	41.8	40.5	34.0	39.1	71.5	<b>32.4</b>
Nottingham	40.6	39.8	34.3	38.5	69.6	<b>31.1</b>
GBSLEP	39.5	38.1	33.1	37.2	74.5	<b>37.3</b>
West Midlands	44.9	43.3	37.6	42.2	76.5	<b>34.3</b>
United Kingdom	48.2	46.4	41.1	45.5	78.5	<b>33.0</b>

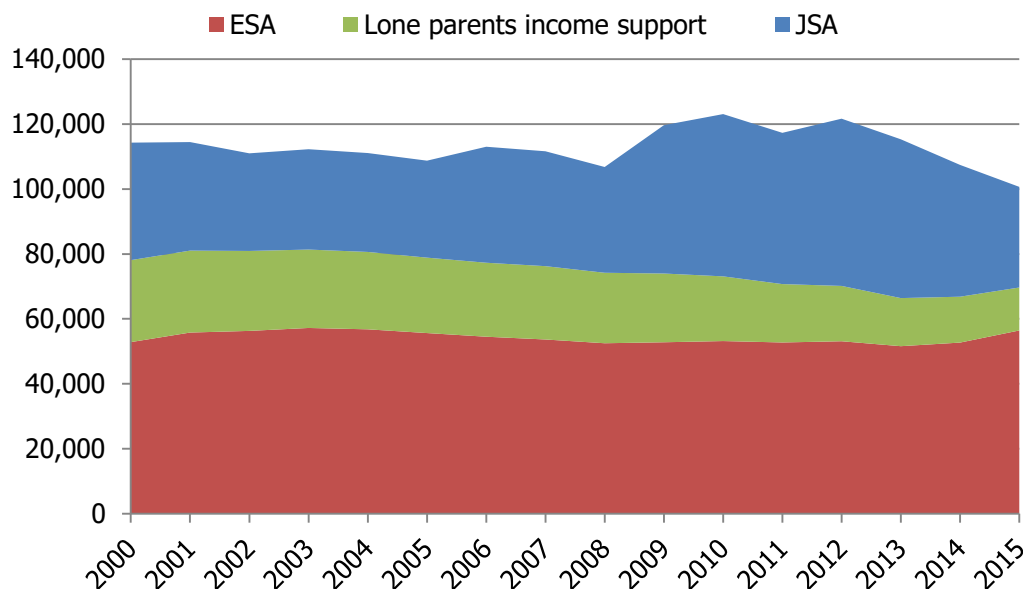
EA Core disabled includes those who have a long-term disability which substantially limits their day-to-day activities.

Work-limiting disabled includes those who have a long-term disability which affects the kind or amount of work they might do.

Source: Annual population survey – resident based via NOMIS.

## Unemployment

**Chart 6 Claiming out of work benefits, working age: Birmingham, 2000 to 2015**



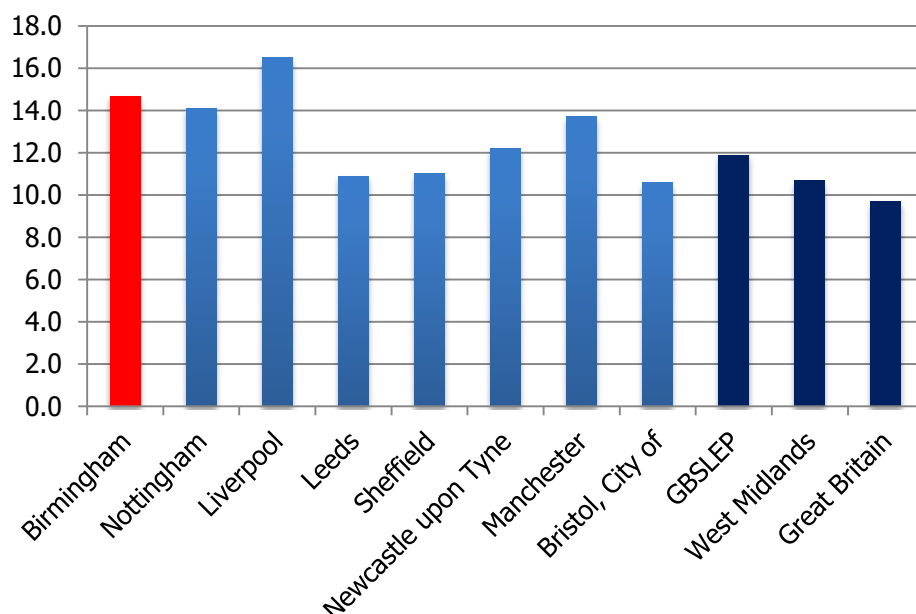
**Table 8 Claiming out of work benefits, working age: Birmingham, 2000 to 2015**

Date	job seeker		ESA and incapacity benefits		lone parent		others on income related benefit		out-of-work benefits	
	number	%	number	%	number	%	number	%	number	%
2000	36,190	5.9	52,870	8.6	25,250	4.1	5,730	0.9	120,040	19.6
2001	33,430	5.4	55,810	9.1	25,250	4.1	5,450	0.9	119,940	19.5
2002	30,070	4.8	56,320	9.1	24,630	4.0	5,100	0.8	116,120	18.7
2003	30,900	4.9	57,230	9.1	24,150	3.8	4,600	0.7	116,880	18.6
2004	30,460	4.8	56,810	8.9	23,840	3.8	4,430	0.7	115,540	18.2
2005	29,870	4.6	55,660	8.6	23,230	3.6	4,560	0.7	113,320	17.5
2006	35,730	5.5	54,530	8.4	22,790	3.5	4,180	0.6	117,230	18.0
2007	35,380	5.4	53,680	8.1	22,590	3.4	4,290	0.7	115,930	17.6
2008	32,580	4.9	52,520	7.9	21,710	3.3	4,740	0.7	111,560	16.7
2009	45,690	6.8	52,820	7.9	21,180	3.1	4,650	0.7	124,340	18.5
2010	49,990	7.3	53,190	7.8	19,930	2.9	4,870	0.7	127,980	18.8
2011	46,590	6.7	52,760	7.6	17,980	2.6	4,600	0.7	121,930	17.7
2012	51,510	7.4	53,130	7.6	17,050	2.4	4,000	0.6	125,690	18.0
2013	48,910	7.0	51,610	7.4	14,820	2.1	3,630	0.5	118,980	17.0
2014	40,590	5.8	52,720	7.5	14,140	2.0	3,280	0.5	110,730	15.8
2015	31,000	4.4	56,450	8.1	13,240	1.9	2,880	0.4	103,560	14.8

Source: DWP benefit statistics via NOMIS, Work and Pensions Longitudinal Study (WPLS).

Rate = Proportion of resident population aged 16-64 estimates.

**Chart 7 Out of work benefit rates, working age: Core Cities, February 2015**



**Table 9 Out of work benefit rates, working age: English core cities, February 2015**

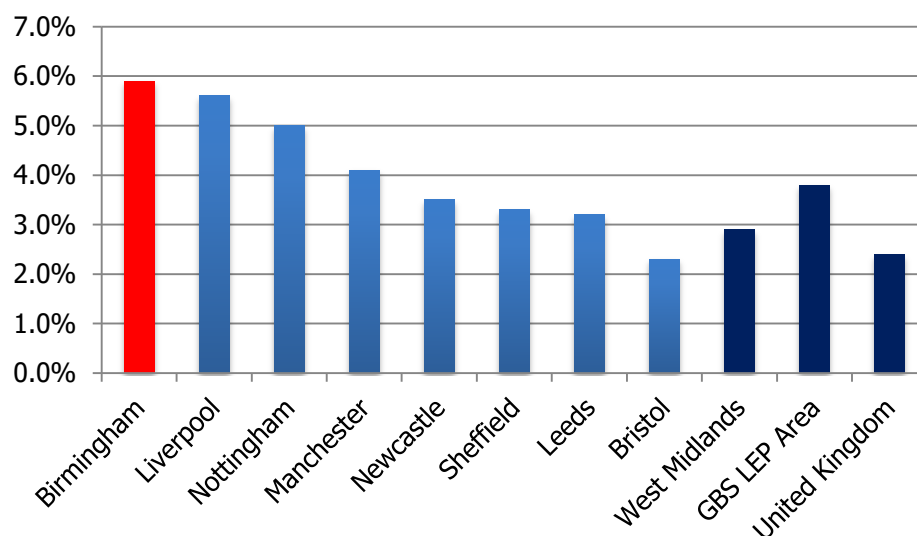
Area	Job seeker		ESA and incapacity benefits		Lone parent		Others on income related benefit		Total out-of-work benefits	
	number	%	number	%	number	%	number	%	number	%
Birmingham	31,000	4.4	56,450	8.0	13,240	1.9	2,880	0.4	103,560	14.7
Nottingham	8,620	3.9	17,160	7.8	4,180	1.9	820	0.4	30,780	14.1
Liverpool	10,140	3.1	36,220	11.2	5,770	1.8	1,320	0.4	53,450	16.5
Leeds	14,730	2.9	32,160	6.4	6,610	1.3	1,700	0.3	55,200	10.9
Sheffield	10,540	2.8	24,490	6.6	4,580	1.2	1,220	0.3	40,830	11.0
Newcastle upon Tyne	5,270	2.7	15,450	7.8	2,810	1.4	720	0.4	24,250	12.2
Manchester	8,860	2.4	33,330	9.1	6,620	1.8	1,450	0.4	50,250	13.7
Bristol, City of	5,960	2.0	21,070	7.0	3,980	1.3	760	0.3	31,770	10.6
GBSLEP	38,360	3.1	86,540	6.9	18,950	1.5	4,360	0.3	148,210	11.9
West Midlands	87,470	2.5	237,250	6.6	47,150	1.3	11,800	0.3	383,670	10.7
Great Britain	785,480	2.0	2,526,360	6.3	448,100	1.1	116,580	0.3	3,876,520	9.7

Source: DWP benefit statistics via NOMIS, Work and Pensions Longitudinal Study (WPLS).

Rate = Proportion of resident population aged 16-64 estimates.



**Chart 8 Unadjusted claimant rates, working age: English core cities, August 2015**



**Table 10 Unadjusted claimant rates, working age: English core cities, August 2015**

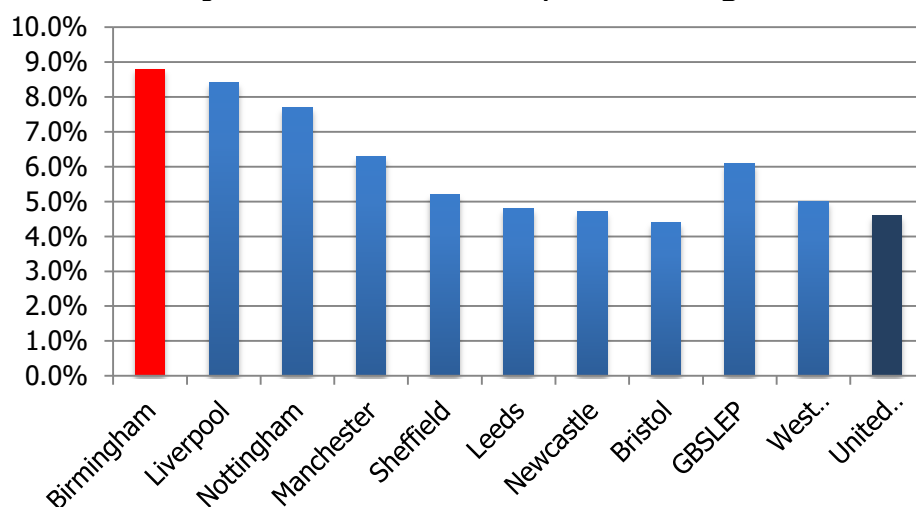
Area	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Birmingham	26,652	2,752	29,404	4.2%	5.9%
Liverpool	7,842	4,518	12,360	3.8%	5.6%
Nottingham	7,690	7	7,697	3.5%	5.0%
Manchester	6,879	3,496	10,375	2.9%	4.1%
Newcastle	4,385	536	4,921	2.5%	3.5%
Sheffield	9,686	14	9,700	2.6%	3.3%
Leeds	12,492	14	12,506	2.5%	3.2%
Bristol	5,363	17	5,380	1.8%	2.3%
West Midlands	73,294	5,661	78,955	2.2%	2.9%
GBS LEP Area	32,354	3,380	35,734	2.9%	3.8%
United Kingdom	708,613	77,571	786,184	1.9%	2.4%

Source: DWP experimental benefit statistics, August 2015. JSA claimants via NOMIS, UC claimants via StatXplore. This new claimant count measure is now available via NOMIS too.

Claimant proportion: claimants divided by working age population.

Claimant rate: claimants divided by economically active working age residents.

**Chart 9 Unadjusted claimant rates, 16-24: English core cities, August 2015**



**Table 11 Unadjusted claimant rates, 16-24: English core cities, August 2015**

Area	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Birmingham	4,860	1,549	6,409	4.8%	8.8%
Liverpool	1,155	1,817	2,972	4.4%	8.4%
Nottingham	1,880	5	1,885	3.0%	7.7%
Manchester	1,080	1,439	2,519	2.9%	6.3%
Sheffield	2,300	5	2,305	2.8%	5.2%
Leeds	2,850	13	2,863	2.8%	4.8%
Newcastle	840	285	1,125	2.2%	4.7%
Bristol	1,145	5	1,150	1.9%	4.4%
GBSLEP	6,130	1,911	8,041	4.0%	6.1%
West Midlands	14,685	3,194	17,879	3.3%	5.0%
United Kingdom	145,870	37,584	183,454	3.1%	4.6%

Source: DWP experimental benefit statistics, August 2015. JSA claimants via NOMIS, UC claimants via StatXplore

Claimant proportion: claimants divided by population aged 16-24.

Claimant rate: claimants divided by economically active residents aged 16-24.

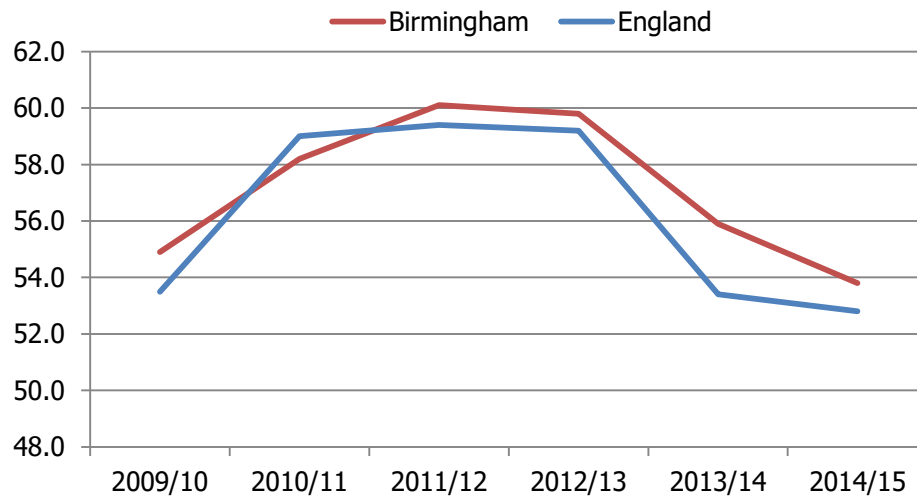
**Table 12 Work Programme figures, Birmingham, cumulative to June 2015**

	Payment group												
	Total	JSA 18 to 24	JSA 25 and over	JSA Early Entrants	JSA Ex-Incapacity Benefit	ESA Volunteers	New ESA claimants: Excluding 12 Month prognosis claimants	New ESA claimants: 12 Month prognosis claimants only	ESA Ex-Incapacity Benefit	IB/IS Volunteers	JSA Prison Leavers	All JSA	All ESA
<b>Cumulative referrals</b>													
Birmingham	59,160	11,280	25,390	14,090	650	1,140	3,250	1,340	760	70	1,180	52,590	6,490
Newcastle upon Tyne	11,920	2,460	5,990	1,210	180	280	620	440	400	-	350	10,190	1,740
Manchester	24,130	4,090	10,340	3,890	600	730	1,520	1,270	770	30	890	19,810	4,290
Liverpool	27,100	5,210	12,910	2,960	470	620	1,220	1,620	1,230	10	860	22,410	4,690
Sheffield	21,070	4,300	8,070	5,160	300	370	1,100	560	600	-	610	18,440	2,630
Leeds	28,570	5,450	14,440	3,250	480	210	1,610	1,190	610	10	1,320	24,940	3,620
Nottingham	18,570	3,510	7,250	3,920	420	760	1,070	510	650	30	440	15,540	2,990
Bristol, City of	14,170	2,360	6,660	1,700	260	520	1,020	710	610	50	290	11,270	2,860
English core Cities	145,530	27,380	65,660	22,090	2,710	3,490	8,160	6,300	4,870	130	4,760	122,600	22,820
GB	1,757,540	304,740	745,470	306,240	34,140	66,010	114,060	76,830	58,730	2,970	48,360	1,438,950	315,630
<b>Proportion of total</b>													
Birmingham		19%	43%	24%	1%	2%	5%	2%	1%	0%	2%	89%	11%
Newcastle upon Tyne		21%	50%	10%	2%	2%	5%	4%	3%	-	3%	85%	15%
Manchester		17%	43%	16%	2%	3%	6%	5%	3%	0%	4%	82%	18%
Liverpool		19%	48%	11%	2%	2%	5%	6%	5%	0%	3%	83%	17%
Sheffield		20%	38%	24%	1%	2%	5%	3%	3%	-	3%	88%	12%
Leeds		19%	51%	11%	2%	1%	6%	4%	2%	0%	5%	87%	13%
Nottingham		19%	39%	21%	2%	4%	6%	3%	4%	0%	2%	84%	16%
Bristol, City of		17%	47%	12%	2%	4%	7%	5%	4%	0%	2%	80%	20%
English core Cities		19%	45%	15%	2%	2%	6%	4%	3%	0%	3%	84%	16%
GB		17%	42%	17%	2%	4%	6%	4%	3%	0%	3%	82%	18%
<b>Job outcome rate</b>													
Birmingham	25%	34%	26%	25%	15%	10%	13%	6%	4%	14%	10%	27%	10%
Newcastle upon Tyne	27%	33%	29%	31%	22%	11%	15%	9%	5%	-	9%	29%	10%
Manchester	26%	34%	31%	26%	22%	10%	13%	9%	5%	33%	15%	30%	10%
Liverpool	25%	34%	28%	27%	17%	6%	14%	7%	3%	-	16%	29%	8%
Sheffield	25%	33%	29%	26%	17%	5%	11%	5%	3%	-	11%	28%	7%
Leeds	24%	30%	26%	27%	19%	10%	14%	9%	3%	-	11%	26%	10%
Nottingham	25%	32%	29%	25%	19%	8%	13%	10%	3%	33%	16%	28%	9%
Bristol, City of	23%	30%	27%	25%	15%	10%	12%	6%	3%	20%	7%	27%	8%
English core Cities	25%	32%	28%	26%	19%	8%	13%	8%	4%	23%	13%	28%	9%
GB	26%	35%	30%	28%	20%	10%	14%	7%	4%	23%	14%	30%	10%

Source: DWP Work Programme tabtool. Job outcome rate is cumulative job outcomes as a proportion of cumulative referrals

## Qualification levels

**Chart 10 Percentage of pupils achieving 5+ A\*-C grades including English and mathematics GCSEs**



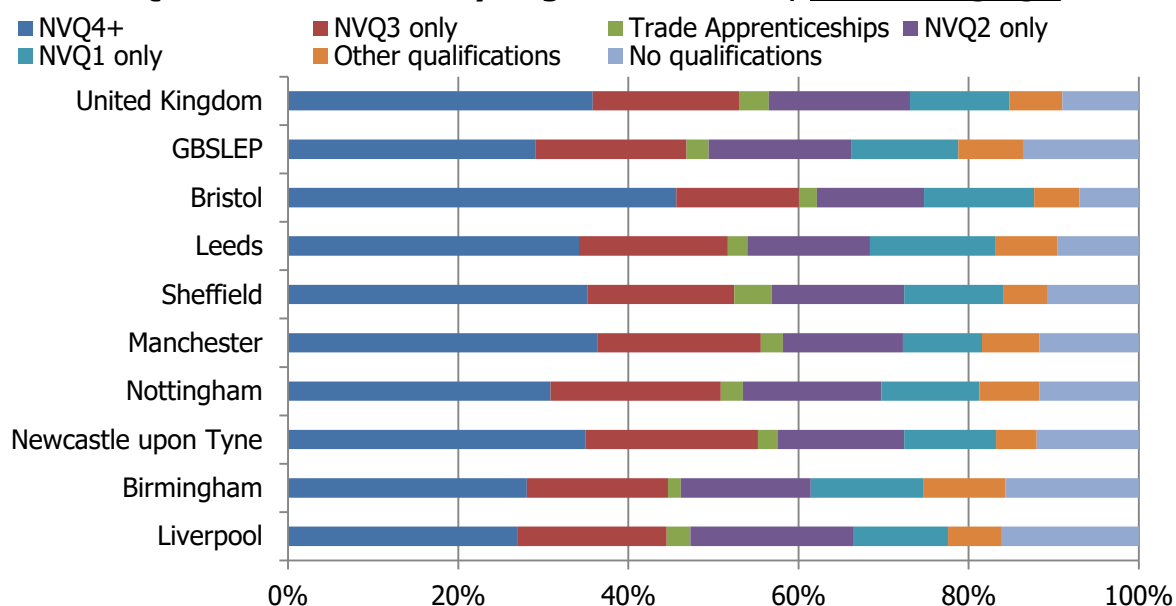
Source: DfE, key stage 4 attainment data

**Table 13 Percentage of pupils achieving 5+ A\*-C grades including English and mathematics GCSEs**

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Leeds	50.6	53.7	55.0	57.3	51.0	54.1
Newcastle upon Tyne	49.5	52.6	55.9	57.3	57.4	53.9
<b>Birmingham</b>	<b>54.9</b>	<b>58.2</b>	<b>60.1</b>	<b>59.8</b>	<b>55.9</b>	<b>53.8</b>
Bristol, City of	46.2	50.2	51.6	52.3	55.2	53.4
Sheffield	49.2	49.4	55.6	57.3	53.9	53.1
Liverpool	53.0	55.0	56.8	56.0	49.9	48.1
Manchester	45.7	51.8	53.2	53.1	51.4	46.0
Nottingham	44.2	46.7	49.6	50.3	44.6	41.5
<b>England</b>	<b>53.5</b>	<b>59.0</b>	<b>59.4</b>	<b>59.2</b>	<b>53.4</b>	<b>52.8</b>

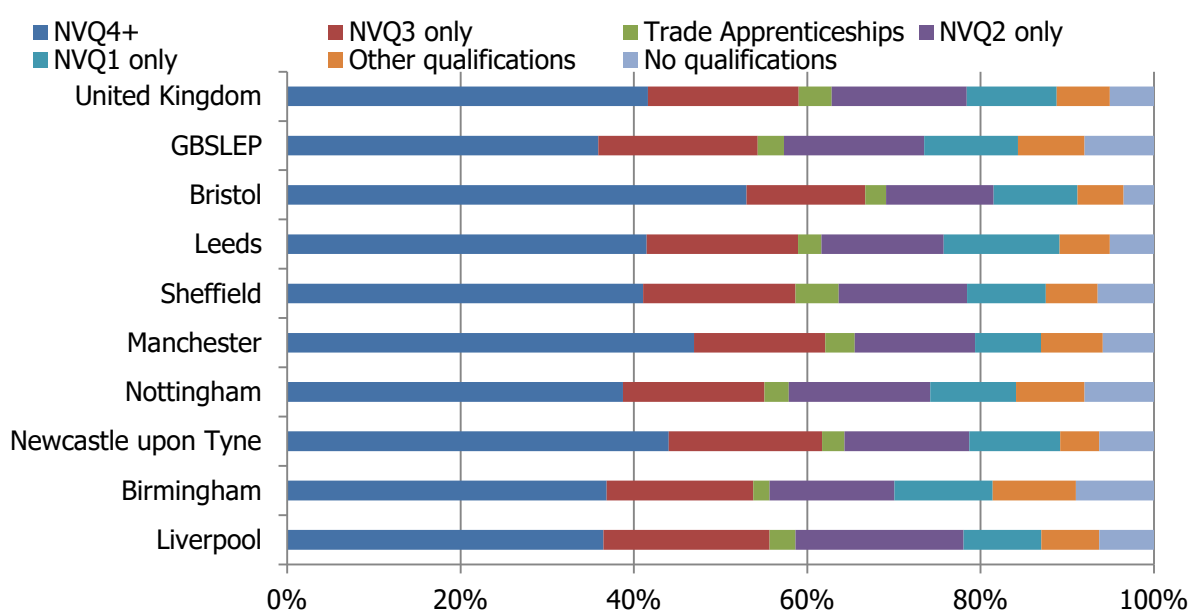
Source: DfE, key stage 4 attainment data

**Chart 11 Qualification levels by English core cities, all working age, 2014**



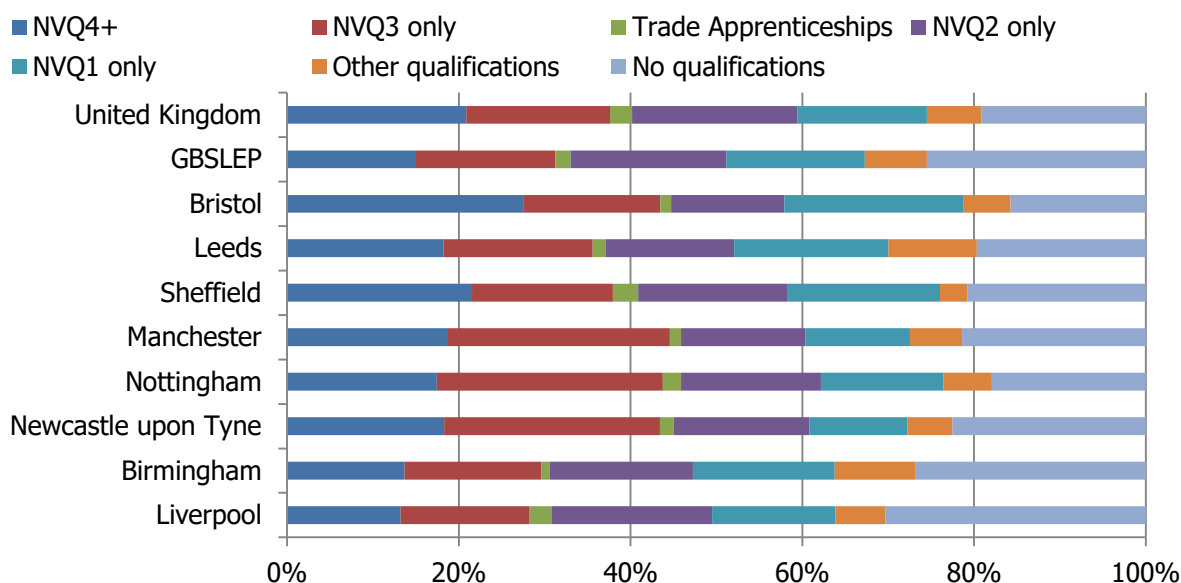
Source: Annual Population Survey, ONS via NOMIS, Jan 2014 to Dec 2014.

**Chart 12 Qualification levels by English core cities, working age employed, 2014**



Source: Annual Population Survey, ONS via NOMIS, Jan 2014 to Dec 2014.

**Chart 13 Qualification levels by English core cities, working age workless, 2014**



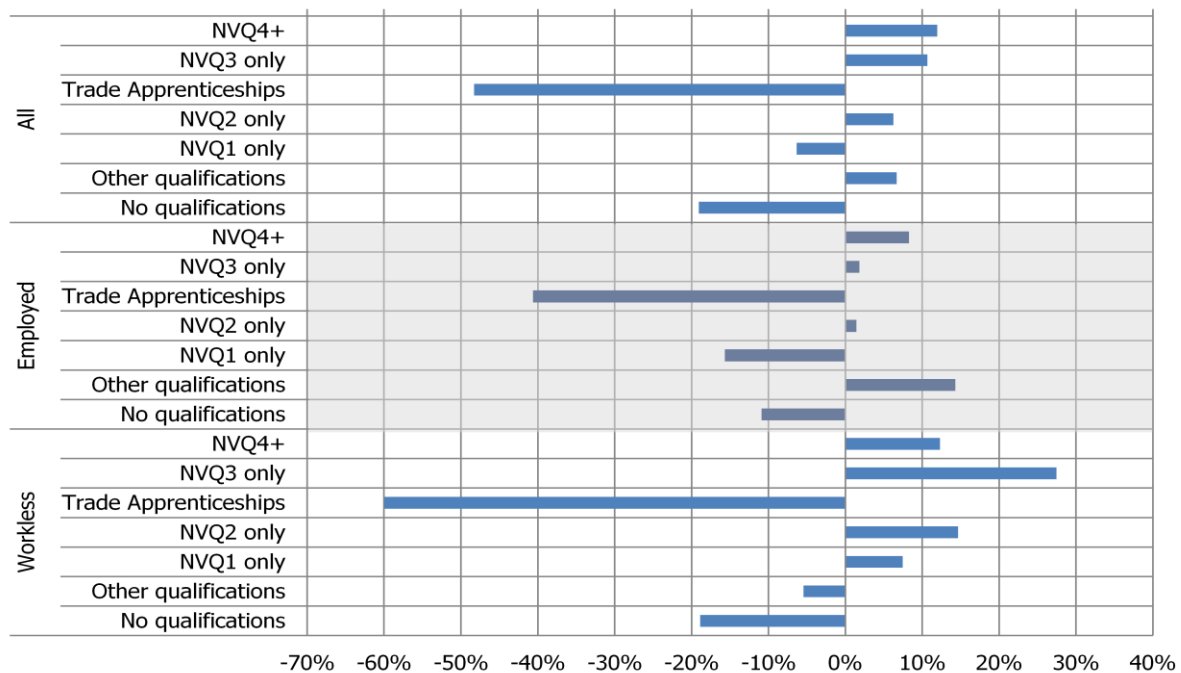
Source: Annual Population Survey, ONS via NOMIS, Jan 2014 to Dec 2014.

**Table 14 Qualification levels by English core cities, working age by economic activity, 2014**

		<b>Birmingham</b>	<b>Liverpool</b>	<b>Newcastle upon Tyne</b>	<b>Nottingham</b>	<b>Manchester</b>	<b>Sheffield</b>	<b>Leeds</b>	<b>Bristol</b>	<b>GBSLEP</b>	<b>United Kingdom</b>
All	NVQ4+	28.1	27.0	35.0	30.8	36.3	35.2	34.2	45.6	29.1	35.8
	NVQ3 only	16.6	17.5	20.3	20.0	19.2	17.3	17.5	14.4	17.7	17.2
	Trade Apprenticeships	1.5	2.8	2.3	2.6	2.6	4.4	2.3	2.1	2.6	3.5
	NVQ2 only	15.3	19.1	14.9	16.3	14.1	15.6	14.4	12.6	16.8	16.6
	NVQ1 only	13.3	11.2	10.8	11.5	9.3	11.7	14.8	12.9	12.5	11.7
	Other qualifications	9.6	6.3	4.8	7.0	6.7	5.1	7.2	5.3	7.6	6.2
	No qualifications	15.7	16.1	12.0	11.7	11.7	10.8	9.6	7.0	13.6	9.0
Employed	NVQ4+	36.8	36.5	44.0	38.7	46.9	41.1	41.5	53.0	35.9	41.6
	NVQ3 only	16.9	19.2	17.7	16.3	15.1	17.6	17.5	13.7	18.4	17.4
	Trade Apprenticeships	1.9	3.0	2.6	2.8	3.4	5.0	2.7	2.4	3.0	3.8
	NVQ2 only	14.4	19.4	14.4	16.3	13.9	14.8	14.1	12.4	16.2	15.6
	NVQ1 only	11.3	9.0	10.5	9.9	7.6	9.1	13.4	9.7	10.8	10.4
	Other qualifications	9.6	6.7	4.5	7.9	7.1	6.0	5.8	5.3	7.7	6.1
	No qualifications	9.0	6.3	6.3	8.0	5.9	6.5	5.1	3.5	8.0	5.1
Workless	NVQ4+	13.7	13.2	18.3	17.4	18.6	21.5	18.2	27.6	15.0	20.9
	NVQ3 only	15.9	15.0	25.2	26.3	26.0	16.4	17.4	15.9	16.2	16.7
	Trade Apprenticeships	1.0	2.5	1.6	2.1	1.3	3.0	1.5	1.3	1.8	2.6
	NVQ2 only	16.7	18.7	15.8	16.3	14.5	17.3	15.0	13.2	18.2	19.3
	NVQ1 only	16.5	14.4	11.4	14.3	12.2	17.9	18.0	20.9	16.1	15.1
	Other qualifications	9.4	5.8	5.3	5.6	6.1	3.1	10.3	5.5	7.2	6.4
	No qualifications	26.8	30.3	22.6	17.9	21.4	20.8	19.7	15.8	25.5	19.1

Source: Annual Population Survey, ONS via NOMIS, Jan 2014 to Dec 2014.

**Chart 14 Qualification levels, Birmingham, percentage change by economic activity, 2010-2014**

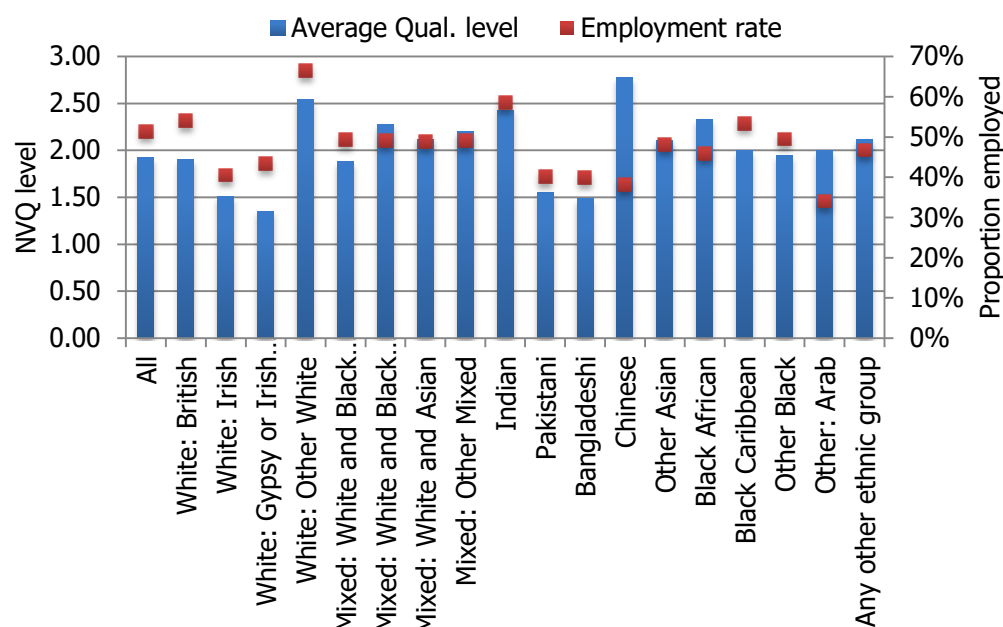


**Table 15 Qualification levels, English core cities, percentage change by economic activity, 2010-2014**

		Birmingham	Liverpool	Newcastle upon Tyne	Nottingham	Manchester	Sheffield	Leeds	Bristol	GBSLEP	United Kingdom
All	NVQ4+	12%	16%	25%	23%	9%	7%	19%	23%	13%	15%
	NVQ3 only	11%	0%	7%	12%	22%	5%	2%	-3%	14%	10%
	Trade Apprenticeships	-48%	8%	-38%	-26%	4%	13%	-44%	-30%	-30%	-13%
	NVQ2 only	6%	0%	-6%	9%	19%	8%	-9%	-17%	3%	2%
	NVQ1 only	-6%	-15%	-3%	-2%	-6%	-7%	-2%	28%	-15%	-9%
	Other qualifications	7%	-11%	-52%	-38%	-43%	-19%	-14%	-45%	-6%	-26%
	No qualifications	-19%	-7%	-5%	-26%	-23%	-20%	-10%	-32%	-14%	-22%
Employed	NVQ4+	8%	16%	21%	13%	2%	2%	14%	26%	9%	12%
	NVQ3 only	2%	12%	11%	-1%	6%	7%	2%	-6%	8%	7%
	Trade Apprenticeships	-41%	7%	-42%	-45%	31%	16%	-43%	-27%	-30%	-14%
	NVQ2 only	1%	-1%	-11%	-1%	24%	1%	-8%	-13%	2%	0%
	NVQ1 only	-16%	-31%	-1%	-7%	-13%	-11%	0%	-7%	-18%	-10%
	Other qualifications	14%	8%	-50%	-11%	-25%	-5%	-29%	-50%	-4%	-26%
	No qualifications	-11%	-36%	-16%	-6%	-23%	-17%	4%	-29%	-9%	-24%
Workless	NVQ4+	12%	21%	35%	24%	34%	17%	57%	22%	15%	23%
	NVQ3 only	27%	-17%	5%	34%	44%	2%	0%	4%	29%	17%
	Trade Apprenticeships	-60%	9%	-35%	31%	-45%	-1%	-50%	-41%	-29%	-17%
	NVQ2 only	15%	2%	4%	26%	15%	21%	-10%	-25%	7%	9%
	NVQ1 only	7%	9%	-4%	10%	4%	4%	-5%	124%	-8%	-6%
	Other qualifications	-5%	-31%	-54%	-60%	-60%	-50%	17%	-23%	-13%	-28%
	No qualifications	-19%	5%	6%	-28%	-18%	-16%	-17%	-39%	-12%	-17%

Source: Annual Population Survey, ONS via NOMIS, Jan 2010 - Dec 2014 to Jan 2014 - Dec 2014.

**Chart 15 Average qualification levels by ethnic group, 16 and over, Birmingham, 2011**



Source: Census 2011. Aged 16 and over. Employment proportions are for those aged 16 and over who are economically active.

Average qualification is weighted by numbers with each level of qualification. Apprenticeships have been classified at NVQ level 2.5. No qualifications = 0.1.

**Table 16 Overall FE and Skills Participation by level and age, learner volumes in Birmingham**

		2009/10	2010/11	2011/12	2012/13	2013/14
Under 19	Total	26,190	27,410	26,990	25,800	23,540
	Full Level 2	6,580	7,840	9,060	7,560	6,900
	Full Level 3	9,160	9,880	9,460	10,580	10,420
19 and over	Total	82,910	74,790	80,740	84,480	73,520
	Full Level 2	23,880	24,630	26,050	26,560	22,950
	Full Level 3	10,230	10,260	10,940	11,510	9,510
All ages	Total	109,090	102,200	107,730	110,280	97,070
	Full Level 2	30,460	32,480	35,110	34,120	29,850
	Full Level 3	19,390	20,140	20,400	22,100	19,930

Source: SFA, Individualised Learner Records.



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**Table 17 Skills Funding Agency Allocations 2015/2016**

	Adult Skills Budget 2015/16	16-18 Apprenticeships and Agency funded 16-18 Traineeships 2015/16	Community Learning 2015/16	19+ Discretionary Learner Support 2015/16	24+ Advanced Learning Loans Facility & Bursary 2015/16	Age Facility 2015/16
Birmingham colleges	£49,145,941	£5,185,452	£6,327,829	£5,496,274	£12,011,032	£696,000
GBSLEP Total	£62,926,831	£10,217,577	£6,879,678	£6,192,611	£16,846,256	£1,296,000

Source: SFA. The figures for Birmingham refers to FE colleges only and do not include allocations for other training providers.

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## Earnings, Employment and Qualification matrix by occupation, West Midlands

**Table 18 Rising job numbers and rising wages, 2011 to 2014**

Occupation (3 digit SOC)	Qualification level	Increase in jobs	Increase in earnings
Welfare Professionals	3.8	27.3%	13.1%
Nursing and Midwifery Professionals	3.7	22.2%	1.3%
Information Technology and Telecommunications Professionals	3.6	10.8%	5.0%
Functional Managers and Directors	3.6	9.3%	10.9%
Science, Engineering and Production Technicians	3.4	27.3%	1.7%
Production Managers and Directors	3.4	7.9%	6.1%
Sales, Marketing and Related Associate Professionals	3.3	1.6%	8.7%
Engineering Professionals	3.3	19.2%	9.1%
Public Services and Other Associate Professionals	3.3	10.3%	2.1%
Administrative Occupations-Government and Related Organisations	3.3	15.8%	1.4%
Administrative Occupations-Finance	3.0	2.2%	6.1%
Other Administrative Occupations	2.8	7.8%	7.0%
Managers and Directors in Transport and Logistics	2.7	15.4%	1.2%
Caring Personal Services	2.6	8.0%	4.2%
Other Elementary Services Occupations	2.5	16.3%	29.4%
Metal Machining, Fitting and Instrument Making Trades	2.4	4.5%	8.9%
Hairdressers and Related Services	2.3	20.0%	6.1%
Sales Related Occupations	2.3	25.0%	12.0%
Assemblers and Routine Operatives	2.1	20.0%	3.3%
Elementary Storage Occupations	2.1	6.3%	9.0%
Elementary Cleaning Occupations	1.8	13.7%	6.4%

**Table 19 Rising job numbers and falling wages, 2011 to 2014**

Occupation (3 digit SOC)	Qualification level	Increase in jobs	Static or fall in earnings
Health Professionals	3.9	13.6%	-4.4%
Business, Research and Administrative Professionals	3.6	10.0%	-0.1%
Information Technology Technicians	3.5	21.4%	-5.7%
Health Associate Professionals	3.3	40.0%	
Leisure and Travel Services	2.4	12.5%	
Plant and Machine Operatives	2.2	27.3%	
Housekeeping and Related Services	1.9	12.5%	-10.0%
Mobile Machine Drivers and Operatives	1.8	14.3%	-4.1%

**Table 20 Falling job numbers and rising wages, 2011 to 2014**

<b>Occupation (3 digit SOC)</b>	<b>Qualification level</b>	<b>Static or fall in jobs</b>	<b>Increase in earnings</b>
Business, Finance and Related Associate Professionals	3.4	0.0%	0.7%
Protective Service Occupations	3.4	-6.3%	6.0%
Financial Institution Managers and Directors	3.3	-25.0%	9.1%
Childcare and Related Personal Services	3.0	-8.9%	3.1%
Administrative Occupations-Records	2.9	0.0%	7.8%
Electrical and Electronic Trades	2.8	-19.4%	6.4%
Secretarial and Related Occupations	2.8	-8.5%	3.1%
Managers and Directors in Retail and Wholesale	2.8	-28.6%	5.8%
Administrative Occupations: Office Managers and Supervisors	2.7	-5.6%	4.7%
Sales Assistants and Retail Cashiers	2.5	-4.0%	4.7%
Food Preparation and Hospitality Trades	2.3	0.0%	5.0%
Elementary Administration Occupations	2.3	-31.6%	6.9%
Construction and Building Trades	2.3	-5.0%	9.8%
Sales Supervisors	2.2	-30.0%	10.0%
Process Operatives	2.1	0.0%	5.7%
Road Transport Drivers	2.0	0.0%	1.7%
Elementary Process Plant Occupations	2.0	0.0%	4.8%

**Table 21 Falling job numbers and wages, 2011 to 2014**

<b>Occupation (3 digit SOC)</b>	<b>Qualification level</b>	<b>Static or fall in jobs</b>	<b>Fall in earnings</b>
Teaching and Educational Professionals	3.8	-13.4%	-2.7%
Welfare and Housing Associate Professionals	3.5	-21.7%	-4.0%
Customer Service Managers and Supervisors	3.2	0.0%	-0.1%
Managers and Proprietors in Other Services	3.0	-22.2%	-7.2%
Customer Service Occupations	2.7	0.0%	-0.8%
Elementary Agricultural Occupations	2.3	0.0%	-0.7%

**Table 22 Insufficient sample for jobs and earnings but worth noting for Qualification levels**

<b>Occupation (3 digit SOC)</b>	<b>Qualification level</b>	<b>Increase in jobs</b>	<b>Increase in earnings</b>
Legal Professionals	4.0		5.5%
Therapy Professionals	4.0		4.6%
Design Occupations	4.0		3.8%
Natural and Social Science Professionals	4.0		3.5%
Health and Social Services Managers and Directors	4.0		0.6%
Chief Executives and Senior Officials	4.0		
Librarians and Related Professionals	4.0		
Architects, Town Planners and Surveyors	3.9		
Research and Development Managers	3.8		19.2%
Legal Associate Professionals	3.8		
Managers and Proprietors in Health and Care Services	3.6		
Transport Associate Professionals	3.3		
Quality and Regulatory Professionals	3.3		
Media Professionals	3.2		
Senior Officers in Protective Services	3.1		
Conservation and Environmental associate professionals	3.0		
Conservation and Environment Professionals	3.0		-11.4%
Managers and Proprietors in Hospitality and Leisure Services	3.0		6.1%
Sports and Fitness Occupations	2.9		
Artistic, Literary and Media Occupations	2.9		
Construction and Building Trades Supervisors	2.9		9.4%
Draughtspersons and Related Architectural Technicians	2.8		3.5%
Skilled Metal, Electrical and Electronic Trades Supervisors	2.8		4.8%
Managers and Proprietors in Agriculture Related Services	2.6		
Elementary Security Occupations	2.5	-16.7%	
Animal Care and Control Services	2.4		
Metal Forming, Welding and Related Trades	2.3		
Vehicle Trades	2.3		4.6%
Other Skilled Trades	2.2		-4.4%
Cleaning and Housekeeping Managers and Supervisors	2.2		
Agricultural and Related Trades	2.2		0.6%
Textiles and Garments Trades	2.2		
Other Drivers and Transport Operatives	2.1		
Printing Trades	2.1		0.1%
Building Finishing Trades	2.0		12.1%
Elementary Construction Occupations	1.8		19.9%
Elementary Sales Occupations	1.6		
Construction Operatives	1.2		-18.7%

Source: Labour Force Survey and Annual Survey of Hours and Earnings.

## Current Vacancy and FE subject match analysis

**Table 23 Number of vacancies by occupation, September 2014 to September 2015**

<b>Occupation (3 digit)</b>	<b>Job Vacancies</b>
<b>354</b> Sales, Marketing and Related Associate Professionals	12,185
<b>213</b> Information Technology and Telecommunications Professionals	11,522
<b>231</b> Teaching and Educational Professionals	11,180
<b>223</b> Nursing and Midwifery Professionals	6,113
<b>353</b> Business, Finance and Related Associate Professionals	6,108
<b>356</b> Public Services and Other Associate Professionals	6,104
<b>415</b> Other Administrative Occupations	5,336
<b>821</b> Road Transport Drivers	5,305
<b>522</b> Metal Machining, Fitting and Instrument Making Trades	5,113
<b>612</b> Childcare and Related Personal Services	5,112
<b>614</b> Caring Personal Services	4,859
<b>242</b> Research and Administrative Professionals	4,794
<b>524</b> Electrical and Electronic Trades	4,218
<b>711</b> Sales Assistants and Retail Cashiers	4,095
<b>212</b> Engineering Professionals	4,092
<b>721</b> Customer Service Occupations	3,682
<b>531</b> Construction and Building Trades	3,680
<b>412</b> Finance	3,564
<b>313</b> Information Technology Technicians	3,368
<b>221</b> Health Professionals	3,321
<b>421</b> Secretarial and Related Occupations	3,176
<b>923</b> Elementary Cleaning Occupations	3,113
<b>413</b> Records	2,805
<b>311</b> Science, Engineering and Production Technicians	2,770
<b>822</b> Mobile Machine Drivers and Operatives	2,620
<b>543</b> Food Preparation and Hospitality Trades	2,594
<b>122</b> Managers and Proprietors in Hospitality and Leisure Services	2,292
<b>913</b> Elementary Process Plant Occupations	2,070
<b>927</b> Other Elementary Services Occupations	2,053
<b>523</b> Vehicle Trades	1,971
<b>926</b> Elementary Storage Occupations	1,822
<b>323</b> Welfare and Housing Associate Professionals	1,780
<b>813</b> Assemblers and Routine Operatives	1,767
<b>341</b> Artistic, Literary and Media Occupations	1,731
<b>811</b> Process Operatives	1,611
<b>912</b> Elementary Construction Occupations	1,588
<b>812</b> Plant and Machine Operatives	1,465
<b>521</b> Metal Forming, Welding and Related Trades	1,247

<b>Occupation (3 digit)</b>	<b>Job Vacancies</b>
<b>712</b> Sales Related Occupations	1,165
<b>532</b> Building Finishing Trades	1,155
<b>246</b> Quality and Regulatory Professionals	1,102
<b>924</b> Elementary Security Occupations	1,090
<b>814</b> Construction Operatives	1,026
<b>211</b> Natural and Social Science Professionals	1,023
<b>342</b> Design Occupations	979
<b>124</b> Managers and Proprietors in Health and Care Services	876
<b>119</b> Managers and Directors in Retail and Wholesale	824
<b>622</b> Hairdressers and Related Services	793
<b>312</b> Draughtspersons and Related Architectural Technicians	744
<b>222</b> Therapy Professionals	724
<b>416</b> Office Managers and Supervisors	702
<b>921</b> Elementary Administration Occupations	658
<b>321</b> Health Associate Professionals	531
<b>244</b> Welfare Professionals	529
<b>352</b> Legal Associate Professionals	514
<b>713</b> Sales Supervisors	474
<b>511</b> Agricultural and Related Trades	413
<b>241</b> Legal Professionals	402
<b>621</b> Leisure and Travel Services	395
<b>624</b> Cleaning and Housekeeping Managers and Supervisors	393
<b>247</b> Media Professionals	378
<b>541</b> Textiles and Garments Trades	374
<b>533</b> Construction and Building Trades Supervisors	369
<b>411</b> Government and Related Organisations	322
<b>542</b> Printing Trades	320
<b>344</b> Sports and Fitness Occupations	278
<b>214</b> Conservation and Environment Professionals	274
<b>118</b> Health and Social Services Managers and Directors	265
<b>823</b> Other Drivers and Transport Operatives	239
<b>121</b> Managers and Proprietors in Agriculture Related Services	155
<b>911</b> Elementary Agricultural Occupations	136
<b>925</b> Elementary Sales Occupations	101
<b>613</b> Animal Care and Control Services	98
<b>351</b> Transport Associate Professionals	52
<b>245</b> Librarians and Related Professionals	24
<b>355</b> Conservation and Environmental associate professionals	4
<b>Total vacancies</b>	<b>172,127</b>

LAMP analysis, Monster and CESI

**Table 24 Vacancy to student match by subject area, September 2014 to September 2015. For FE colleges within the Birmingham City boundary.**

<b>Subject area and subject code</b>	<b>Vacancies</b>	<b>Students</b>	<b>Vacancy to student ratio</b>
1.2 Nursing and Subjects and Vocations Allied to Medicine	23,825	190	125.4
15.4 Marketing and Sales	23,255	410	56.7
11.3 Politics	6,426	130	49.4
11.4 Economics	14,466	300	48.2
1.4 Public Services	42,178	1,140	37.0
15.5 Law and Legal Services	22,120	850	26.0
4.2 Manufacturing Technologies	48,577	1,900	25.6
10.1 History	11,180	550	20.3
10.4 Theology and Religious Studies	11,904	610	19.5
13.1 Teaching and Lecturing	21,785	1,220	17.9
7.1 Retailing and Wholesaling	31,082	1,830	17.0
3.1 Agriculture	802	50	16.0
12.2 Other Languages, Literature and Culture	18,827	1,320	14.3
6.1 ICT Practitioners	41,447	2,920	14.2
9.3 Media and Communication	32,548	2,740	11.9
8.2 Travel and Tourism	4,135	510	8.1
9.2 Crafts, Creative Arts and Design	29,861	3,880	7.7
15.1 Accounting and Finance	32,144	4,370	7.4
11.2 Sociology and Social Policy	10,979	1,600	6.9
3.4 Environmental Conservation	3,282	590	5.6
2.1 Science	37,554	6,810	5.5
2.2 Mathematics and Statistics	22,308	4,210	5.3
15.3 Business Management	51,849	10,740	4.8
1.5 Child Development and Well Being	24,101	5,100	4.7
4.1 Engineering	26,323	5,910	4.5
3.2 Horticulture and Forestry	708	160	4.4
4.3 Transportation Operations and Maintenance	17,049	6,850	2.5
7.4 Hospitality and Catering	17,620	8,070	2.2
15.2 Administration	34,199	16,400	2.1
9.1 Performing Arts	2,710	1,370	2.0
1.3 Health and Social Care	33,122	21,640	1.5
5.2 Building and Construction	9,664	7,510	1.3
8.1 Sport, Leisure and Recreation	13,002	11,330	1.1
7.3 Service Enterprises	3,387	8,470	0.4
6.2 ICT for Users	20,226	52,820	0.4
7.2 Warehousing and Distribution	876	2,400	0.4
3.3 Animal Care and Veterinary Science	98	410	0.2
12.1 Languages, Literature and Culture of the British Isles	378	4,700	0.1

LAMP analysis, Monster and CESI

**Notes:**

- 1) Does not include those students doing courses under the subject areas 'Foundations for Learning and Life' and 'Preparation for Work'.

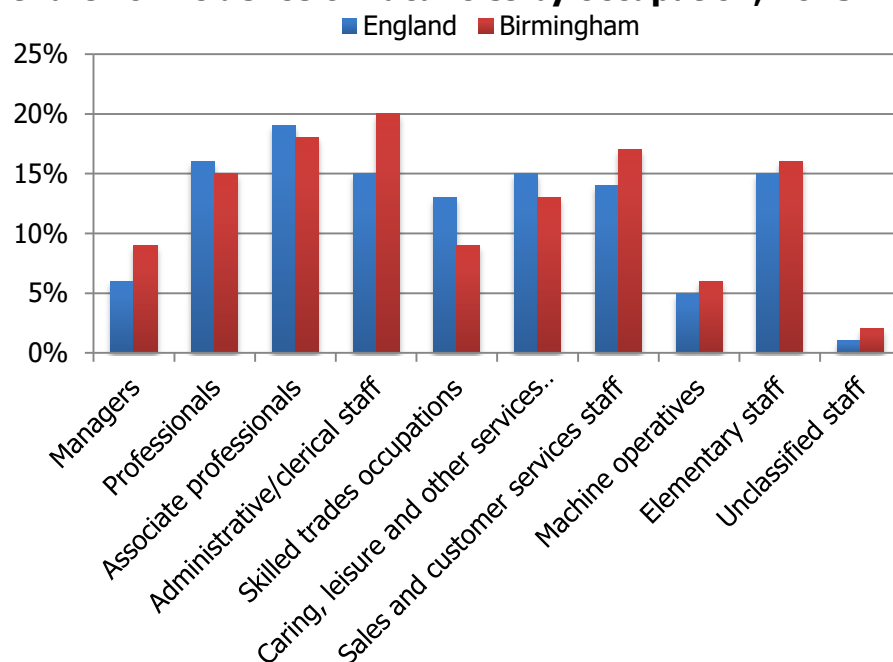
- 2) FE subject areas have been matched to relevant occupations (i.e. those subjects that offer a possible route to various occupations). Different subjects could offer a route into the same occupation e.g. someone doing a course under the subject 'Child Development and Well Being' could become a Health Professional as could someone doing a course under the subject 'Health and Social Care'. Therefore the total vacancies for Health Professionals have been assigned to both these subject areas. This means adding up the vacancy numbers in the above table will be more than the actual vacancies in the area over the last year. Actual total vacancies can be derived from the table before.
- 3) The ratio is a mismatch measure. It shows the number of vacancies in occupations matched to each subject compared to the number of students doing courses under each subject. The higher the ratio, the higher the mismatch. However, there are certain caveats for some subjects:
- Very few students are doing courses under the subject 'Nursing and Subjects and Vocations Allied to Medicine' hence the high ratio. However, many students studying this subject may be doing so in University Hospitals and other specialist training providers. So it doesn't necessarily mean there is a lack of students.
  - The same can be said for some higher level occupations included under various subjects. For instance some occupations that fall within the Economics, Mathematics or Science subject areas will need degree's, therefore more reliant on HE graduates rather than those doing FE courses. So in this instance these courses should be seen as routes into higher education.
  - Therefore the ratio doesn't only show a mismatch between FE subjects and vacancies but also a mismatch between FE subjects and allied subjects at the HE level: which are needed to satisfy some of the occupation demand.

The above should then help Colleges in the Birmingham City area to think about how they should structure their curriculums in terms of encouraging students to pick the right subjects i.e. those subjects that will give the student the best chance of getting a job either directly or via additional HE education.



## Employer views and needs

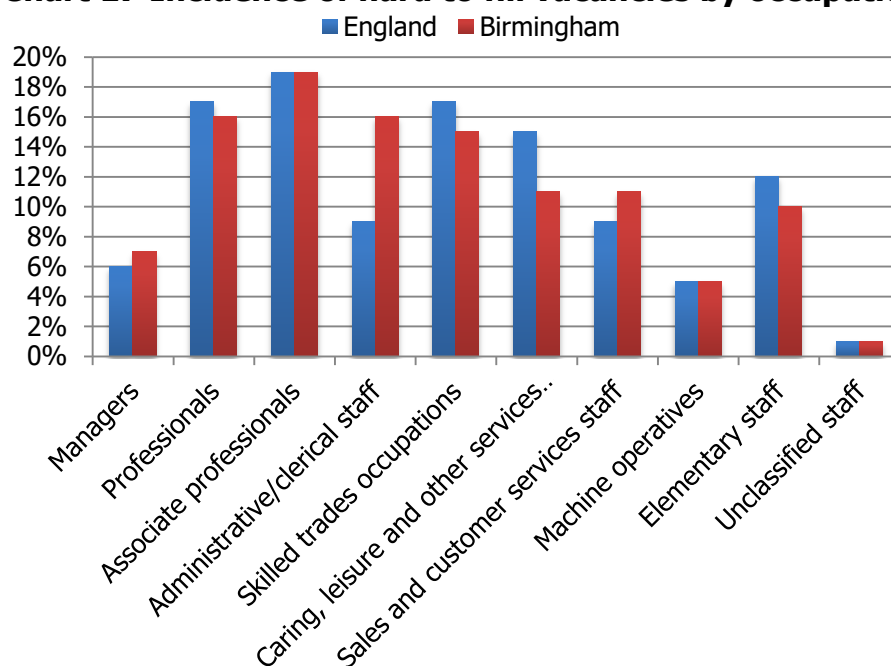
**Chart 16 Incidence of vacancies by occupation, 2013**



**Table 25 Incidence of vacancies by occupation, 2013**

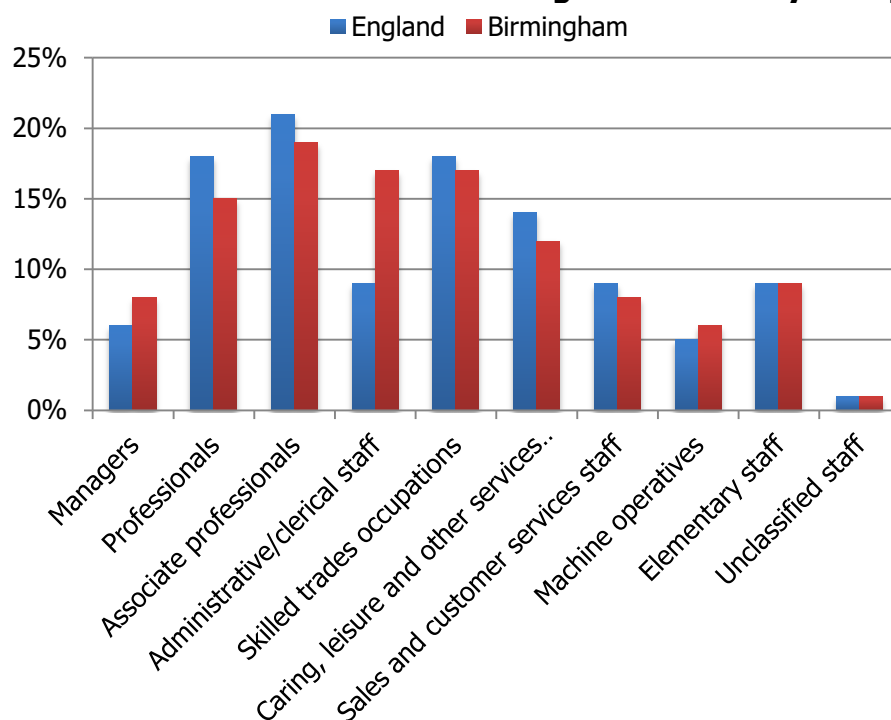
	England	Birmingham
Managers	6%	9%
Professionals	16%	15%
Associate professionals	19%	18%
Administrative/clerical staff	15%	20%
Skilled trades occupations	13%	9%
Caring, leisure and other services staff	15%	13%
Sales and customer services staff	14%	17%
Machine operatives	5%	6%
Elementary staff	15%	16%
Unclassified staff	1%	2%

Source: Employer Skills Survey 2013, UKCES. Base: All establishments with vacancies.

**Chart 17 Incidence of hard to fill vacancies by occupation, 2013****Table 26 Incidence of hard to fill vacancies by occupation, 2013**

	England	Birmingham
Managers	6%	7%
Professionals	17%	16%
Associate professionals	19%	19%
Administrative/clerical staff	9%	16%
Skilled trades occupations	17%	15%
Caring, leisure and other services staff	15%	11%
Sales and customer services staff	9%	11%
Machine operatives	5%	5%
Elementary staff	12%	10%
Unclassified staff	1%	1%

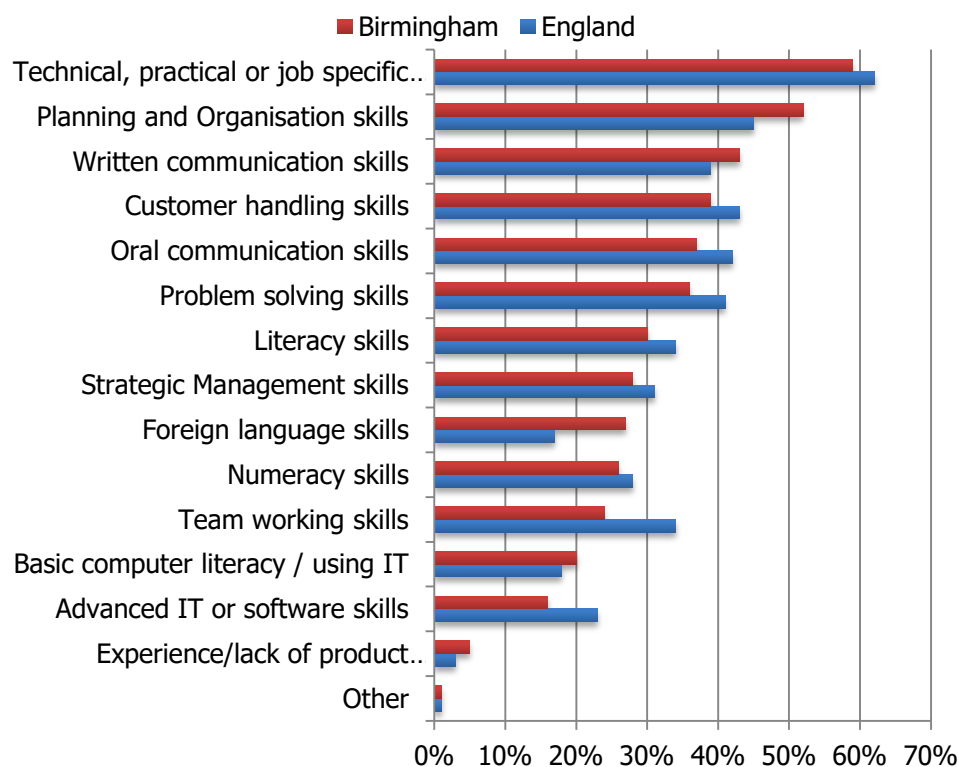
Source: Employer Skills Survey 2013, UKCES. Base: All with hard to fill vacancies.

**Chart 18 Incidence of skills shortage vacancies by occupation, 2013****Table 27 Incidence of skills shortage vacancies by occupation, 2013**

	England	Birmingham
Managers	6%	8%
Professionals	18%	15%
Associate professionals	21%	19%
Administrative/clerical staff	9%	17%
Skilled trades occupations	18%	17%
Caring, leisure and other services staff	14%	12%
Sales and customer services staff	9%	8%
Machine operatives	5%	6%
Elementary staff	9%	9%
Unclassified staff	1%	1%

Source: Employer Skills Survey 2013, UKCES. Base: All with skills shortage vacancies.

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**Chart 19 Skills found difficult to obtain from applicants, 2013**

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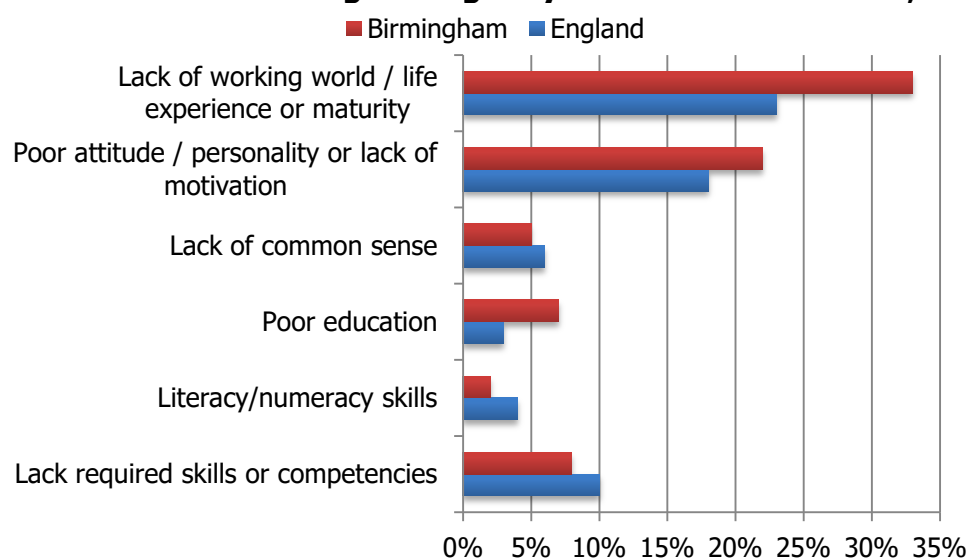
**Table 28 Skills found difficult to obtain from applicants, 2013**

	England	Birmingham
Other	1%	1%
Experience/lack of product knowledge*	3%	5%
Advanced IT or software skills	23%	16%
Basic computer literacy / using IT	18%	20%
Team working skills	34%	24%
Numeracy skills	28%	26%
Foreign language skills	17%	27%
Strategic Management skills	31%	28%
Literacy skills	34%	30%
Problem solving skills	41%	36%
Oral communication skills	42%	37%
Customer handling skills	43%	39%
Written communication skills	39%	43%
Planning and Organisation skills	45%	52%
Technical, practical or job specific skills	62%	59%

Source: Employer Skills Survey 2013, UKCES. Base: All with skills shortage vacancies.

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**Chart 20 Skills lacking among 16 year old school leavers, 2013**

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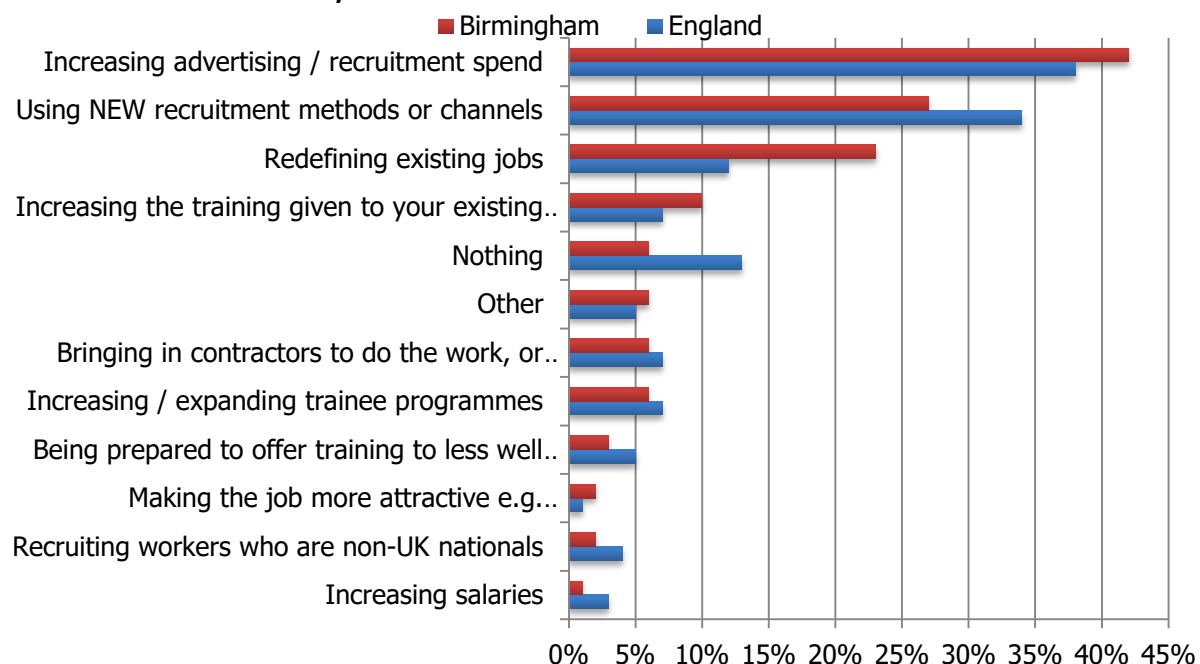
**Table 29 Skills lacking among 16 year old school leavers, 2013**

	England	Birmingham
Lack required skills or competencies	10%	8%
Literacy/numeracy skills	4%	2%
Poor education	3%	7%
Lack of common sense	6%	5%
Poor attitude / personality or lack of motivation	18%	22%
Lack of working world / life experience or maturity	23%	33%

Source: Employer Skills Survey 2013, UKCES. Base: All establishments who have recruited 16 year olds to first job from school in last 2-3 years.

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**Chart 21 Actions taken to overcome difficulties finding candidates to fill hard to fill vacancies, 2013**



**Table 30 Actions taken to overcome difficulties finding candidates to fill hard to fill vacancies, 2013**

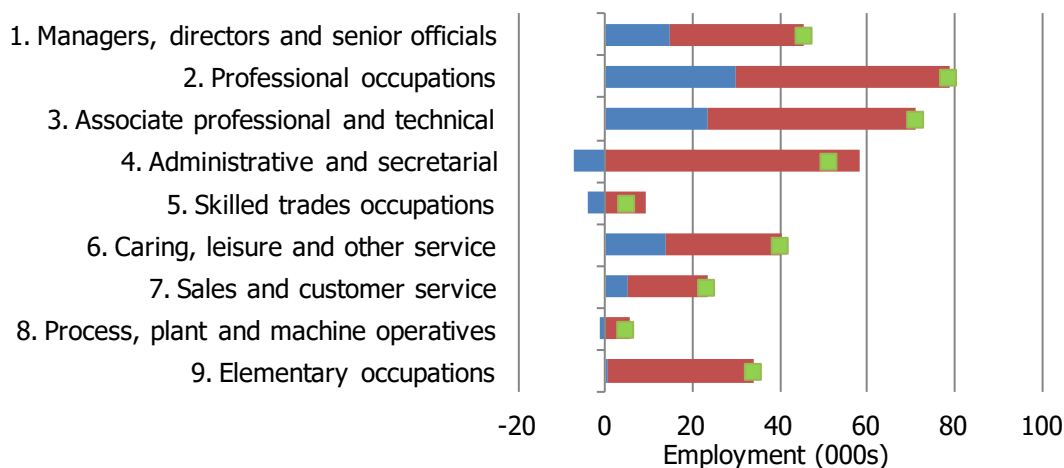
	England	Birmingham
Increasing salaries	3%	1%
Recruiting workers who are non-UK nationals	4%	2%
Making the job more attractive e.g. recruitment incentives, enhanced T&Cs, working hours	1%	2%
Being prepared to offer training to less well qualified recruits	5%	3%
Increasing / expanding trainee programmes	7%	6%
Bringing in contractors to do the work, or contracting it out	7%	6%
Other	5%	6%
Nothing	13%	6%
Increasing the training given to your existing workforce	7%	10%
Redefining existing jobs	12%	23%
Using NEW recruitment methods or channels	34%	27%
Increasing advertising / recruitment spend	38%	42%

Source: Employer Skills Survey 2013, UKCES. Base: All with hard to fill vacancies.

## Employment projections: growth sectors by occupation and qualification for the West Midlands

Source: Working Futures, UKCES. Numbers in red indicate a cell below 10,000 and therefore this number should be used with caution.

**Chart 22 Business and other services, employment to 2022**



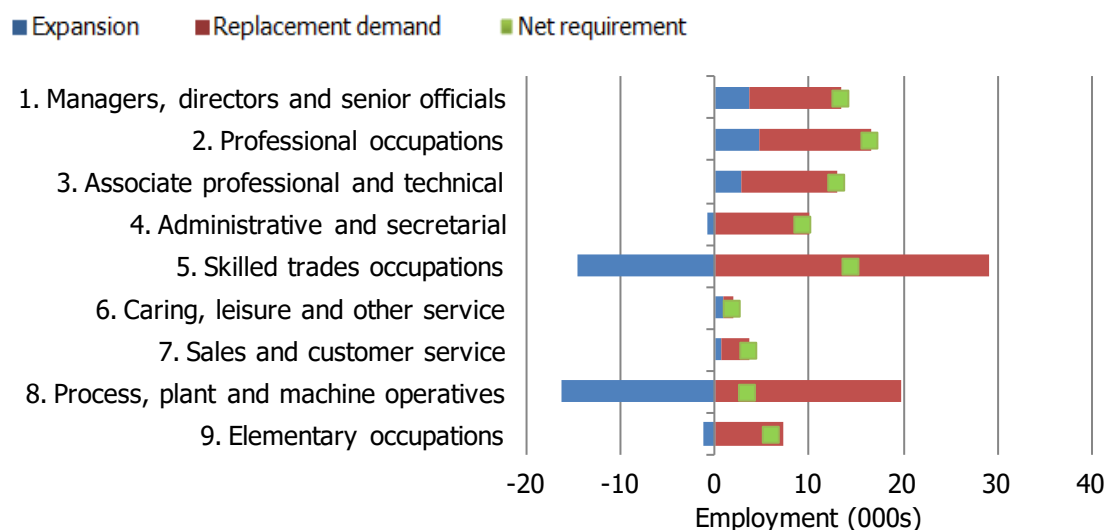
**Table 31 Business and other services, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012 - 2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	73	81	88	15	31	46
2. Professional occupations	125	143	155	30	49	79
3. Associate professional and technical	125	138	149	23	48	71
4. Administrative and secretarial	131	130	124	-7	58	51
5. Skilled trades occupations	26	24	22	-4	9	5
6. Caring, leisure and other service	53	62	67	14	26	40
7. Sales and customer service	53	56	58	5	18	23
8. Process, plant and machine operatives	15	14	14	-1	6	5
9. Elementary occupations	87	86	88	1	33	34
<b>Total</b>	689	734	764	76	279	354

**Table 32 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	62	45	107	25	70
QCF 4-6	235	79	314	95	174
QCF 3	120	-19	101	48	30
QCF 2	138	-3	135	56	53
QCF 1	90	-11	79	37	25
No Qual	43	-15	28	17	2
<b>Total</b>	689	76	764	279	354

**Chart 23 Manufacturing, employment to 2022**



**Table 33 Manufacturing, employment to 2022**

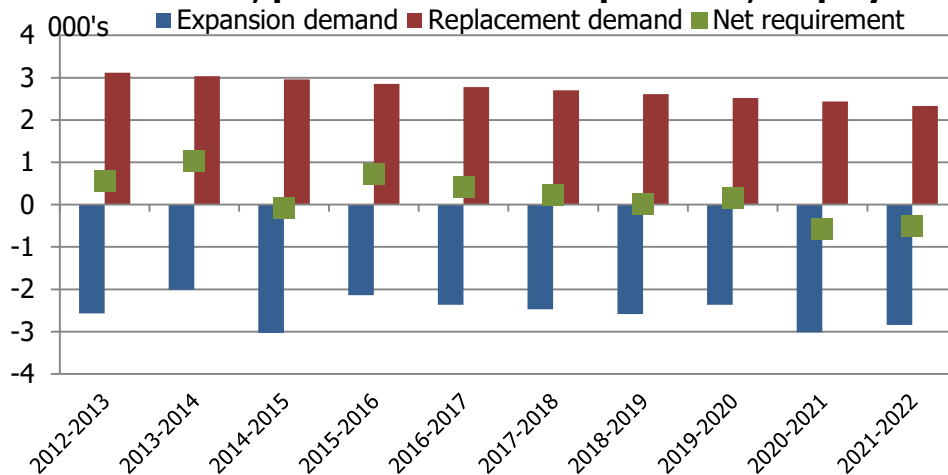
Employment Levels (000s)	2012	2017	2022	2012 - 2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	26	28	30	4	10	13
2. Professional occupations	35	38	39	5	12	17
3. Associate professional and technical	29	30	32	3	10	13
4. Administrative and secretarial	23	23	22	-1	10	9
5. Skilled trades occupations	94	88	79	-15	29	15
6. Caring, leisure and other service	2	2	3	1	1	2
7. Sales and customer service	9	9	9	1	3	4
8. Process, plant and machine operatives	67	59	50	-16	20	4
9. Elementary occupations	21	20	19	-1	7	6
<b>Total</b>	<b>304</b>	<b>296</b>	<b>284</b>	<b>-20</b>	<b>102</b>	<b>82</b>

**Table 34 Qualification requirement to 2022 (000's)**

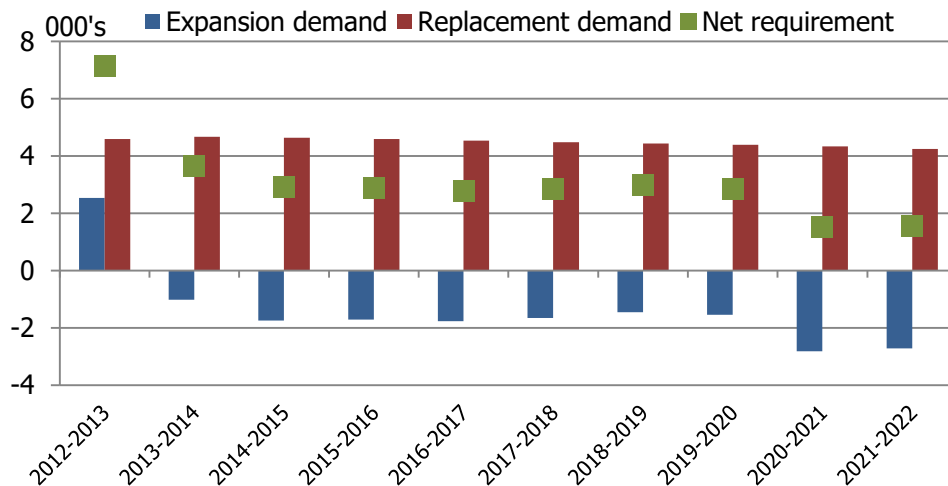
	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	13	8	21	4	12
QCF 4-6	70	16	86	23	39
QCF 3	72	-12	60	24	12
QCF 2	72	-6	66	24	18
QCF 1	50	-11	39	17	6
No Qual	28	-15	13	9	-5
<b>Total</b>	<b>304</b>	<b>-20</b>	<b>284</b>	<b>102</b>	<b>82</b>



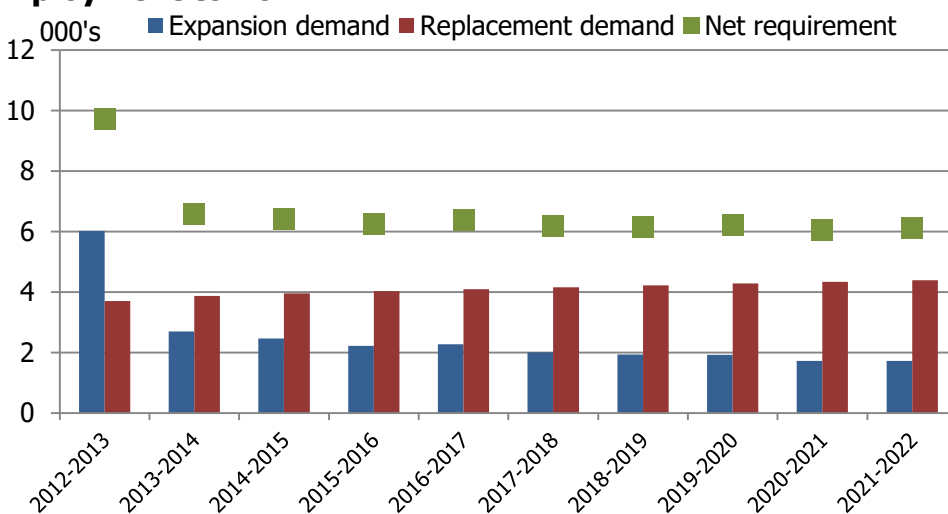
**Chart 24 Process, plant and machine operatives, employment to 2022**

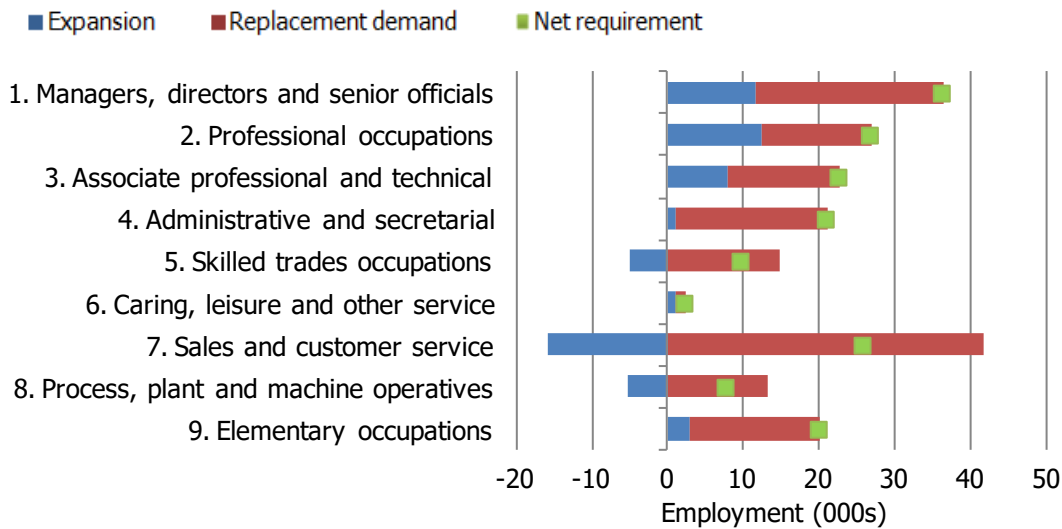


**Chart 25 Skilled metal, electrical and electronic trades, employment to 2022**



**Chart 26 Science, research, engineering and technology professionals, employment to 2022**

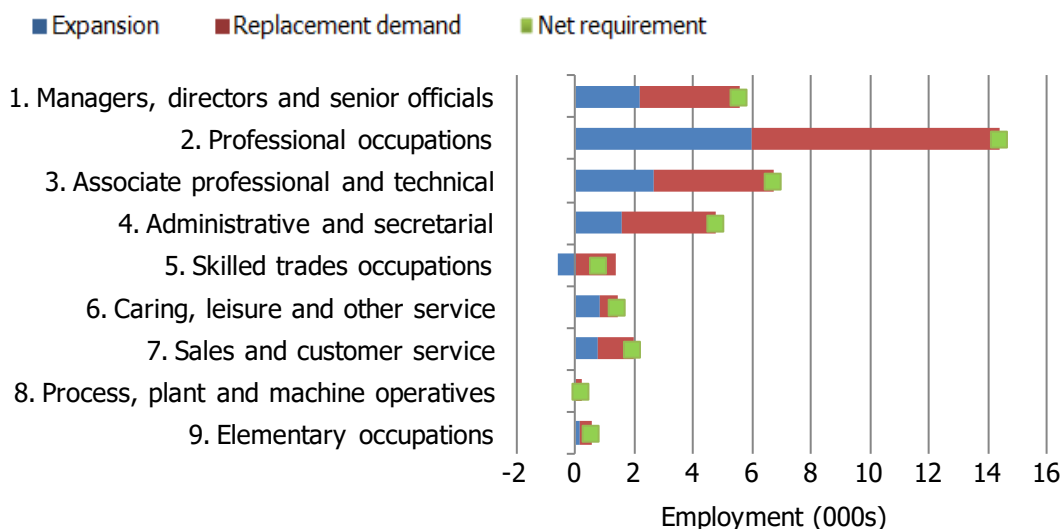


**Chart 27 Wholesale and retail, employment to 2022****Table 35 Wholesale and retail, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012-2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	59	66	71	12	25	36
2. Professional occupations	33	41	46	12	14	27
3. Associate professional and technical	38	42	46	8	15	23
4. Administrative and secretarial	44	45	45	1	20	21
5. Skilled trades occupations	45	44	40	-5	15	10
6. Caring, leisure and other service	2	3	3	1	1	2
7. Sales and customer service	120	110	105	-16	42	26
8. Process, plant and machine operatives	36	33	31	-5	13	8
9. Elementary occupations	45	46	48	3	17	20
<b>Total</b>	<b>424</b>	<b>431</b>	<b>435</b>	<b>11</b>	<b>161</b>	<b>172</b>

**Table 36 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	10	9	20	4	13
QCF 4-6	78	39	116	30	68
QCF 3	97	-2	95	37	35
QCF 2	116	-2	115	44	43
QCF 1	78	-17	61	30	13
No Qual	44	-17	28	17	0
<b>Total</b>	<b>424</b>	<b>11</b>	<b>435</b>	<b>161</b>	<b>172</b>

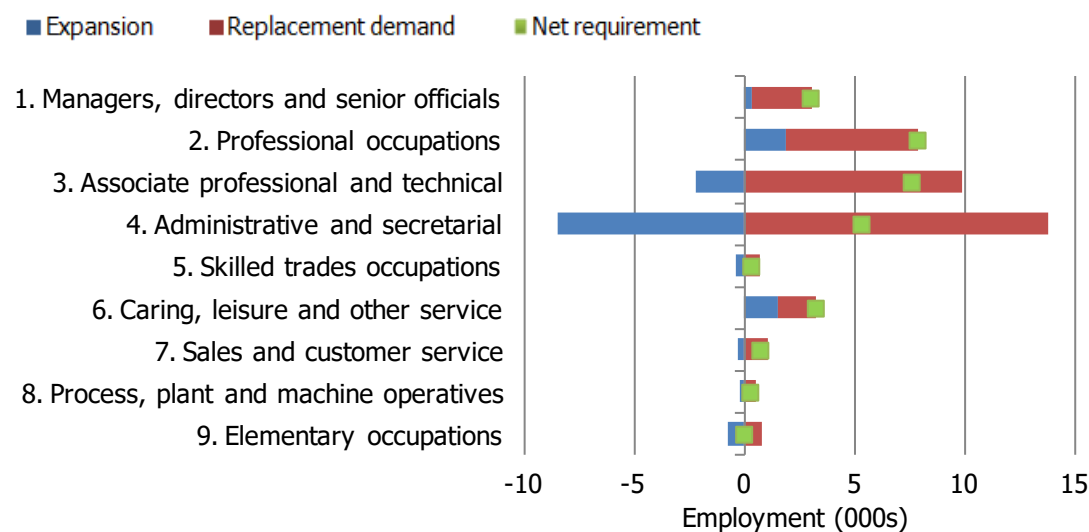
**Chart 28 Information technology, employment to 2022****Table 37 Information technology, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012-2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	8	10	10	2	3	6
2. Professional occupations	24	29	30	6	8	14
3. Associate professional and technical	11	13	13	3	4	7
4. Administrative and secretarial	6	7	7	2	3	5
5. Skilled trades occupations	4	4	4	-1	1	1
6. Caring, leisure and other service	1	2	2	1	1	1
7. Sales and customer service	3	3	4	1	1	2
8. Process, plant and machine operatives	0	1	1	0	0	0
9. Elementary occupations	1	1	1	0	0	1
<b>Total</b>	<b>58</b>	<b>69</b>	<b>72</b>	<b>14</b>	<b>23</b>	<b>37</b>

**Table 38 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	7	7	14	3	9
QCF 4-6	28	10	37	11	21
QCF 3	8	-2	6	3	1
QCF 2	8	-2	6	3	1
QCF 1	6	0	6	2	3
No Qual	2	1	2	1	1
<b>Total</b>	<b>58</b>	<b>14</b>	<b>72</b>	<b>23</b>	<b>37</b>

**Chart 29 Public administration, employment to 2022**



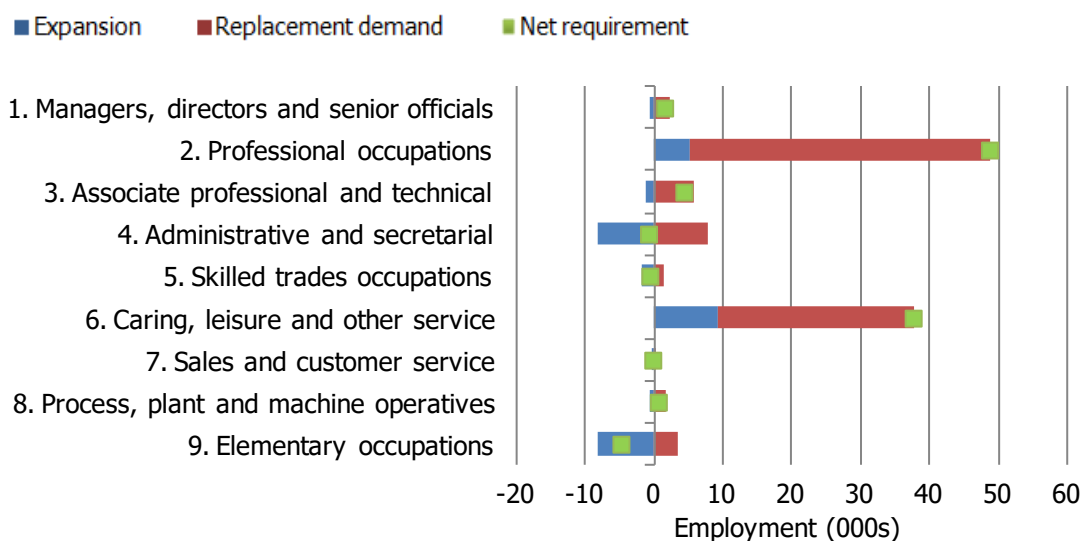
**Table 39 Public administration, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012-2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	7	7	8	0	3	3
2. Professional occupations	16	16	18	2	6	8
3. Associate professional and technical	34	30	32	-2	10	8
4. Administrative and secretarial	36	29	28	-8	14	5
5. Skilled trades occupations	2	2	2	0	1	1
6. Caring, leisure and other service	4	4	5	2	2	3
7. Sales and customer service	3	3	3	0	1	1
8. Process, plant and machine operatives	2	1	1	0	1	1
9. Elementary occupations	3	2	2	-1	1	0
<b>Total</b>	<b>106</b>	<b>94</b>	<b>98</b>	<b>-9</b>	<b>37</b>	<b>29</b>

**Table 40 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	11	4	15	4	8
QCF 4-6	39	5	44	14	19
QCF 3	21	-5	16	8	3
QCF 2	21	-7	15	8	1
QCF 1	10	-5	6	4	-1
No Qual	3	-2	1	1	-1
<b>Total</b>	<b>106</b>	<b>-9</b>	<b>98</b>	<b>37</b>	<b>29</b>

**Chart 30 Education, employment to 2022**



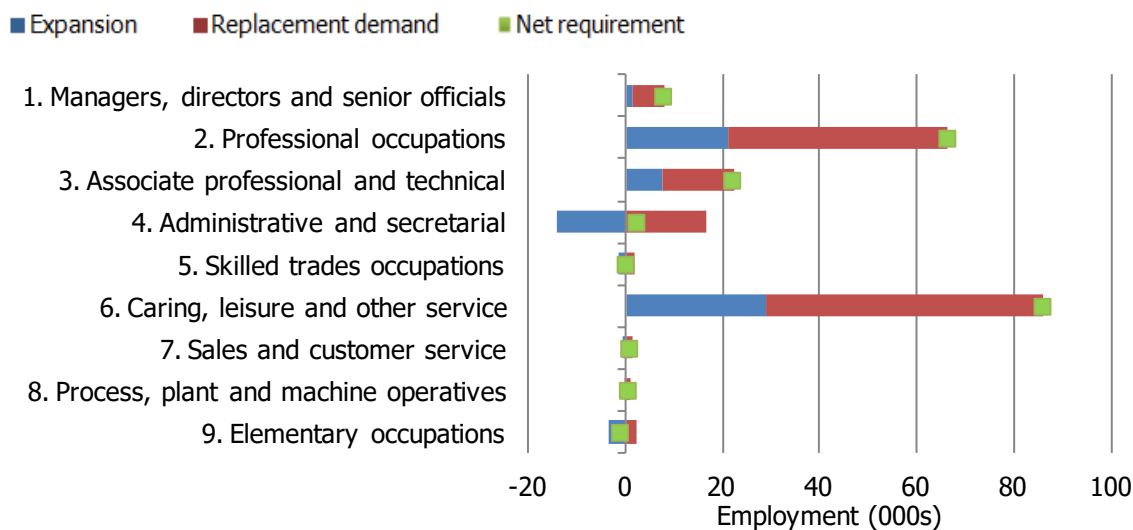
**Table 41 Education, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012-2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	6	6	5	-1	2	2
2. Professional occupations	105	107	110	5	44	49
3. Associate professional and technical	18	17	16	-1	6	5
4. Administrative and secretarial	20	15	12	-8	8	-1
5. Skilled trades occupations	4	3	3	-2	2	0
6. Caring, leisure and other service	63	68	72	9	29	38
7. Sales and customer service	1	1	1	0	0	0
8. Process, plant and machine operatives	4	4	3	-1	2	1
9. Elementary occupations	12	7	4	-8	3	-5
<b>Total</b>	234	227	227	-7	95	89

**Table 42 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	56	18	74	23	41
QCF 4-6	83	0	83	34	33
QCF 3	37	1	38	15	16
QCF 2	31	-10	21	13	3
QCF 1	20	-11	9	8	-3
No Qual	6	-4	2	3	-2
<b>Total</b>	234	-7	227	95	89

**Chart 31 Health and social work, employment to 2022**



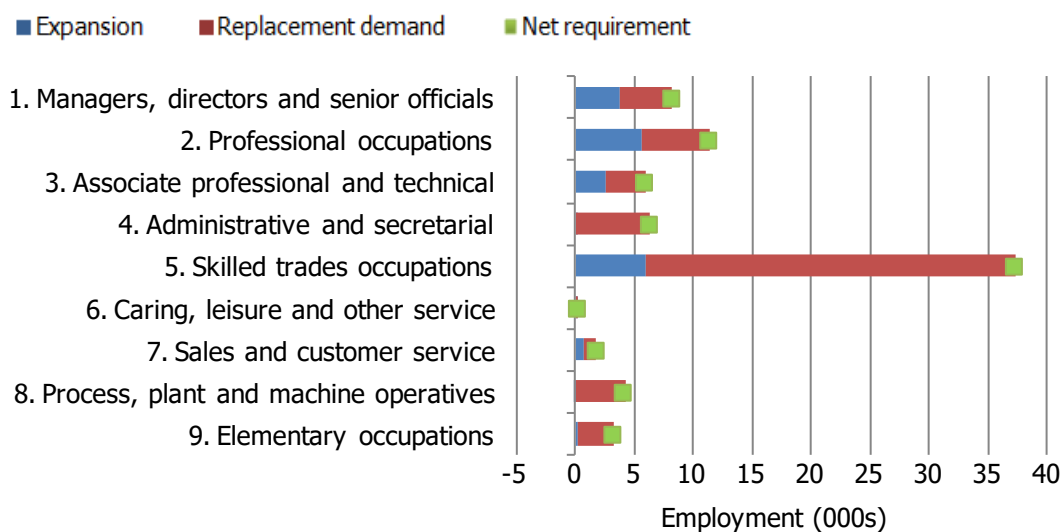
**Table 43 Health and social work, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012-2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	16	16	17	2	6	8
2. Professional occupations	108	118	129	21	45	66
3. Associate professional and technical	37	41	45	7	15	22
4. Administrative and secretarial	42	33	27	-14	17	2
5. Skilled trades occupations	5	4	3	-2	2	0
6. Caring, leisure and other service	126	138	155	29	57	86
7. Sales and customer service	5	4	4	-1	2	1
8. Process, plant and machine operatives	2	2	2	0	1	1
9. Elementary occupations	8	5	4	-3	2	-1
<b>Total</b>	<b>349</b>	<b>362</b>	<b>388</b>	<b>39</b>	<b>147</b>	<b>186</b>

**Table 44 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	32	16	48	13	30
QCF 4-6	145	37	182	61	98
QCF 3	67	10	77	28	38
QCF 2	69	1	70	29	30
QCF 1	27	-18	9	11	-7
No Qual	9	-7	3	4	-3

**Chart 32 Construction, employment to 2022**



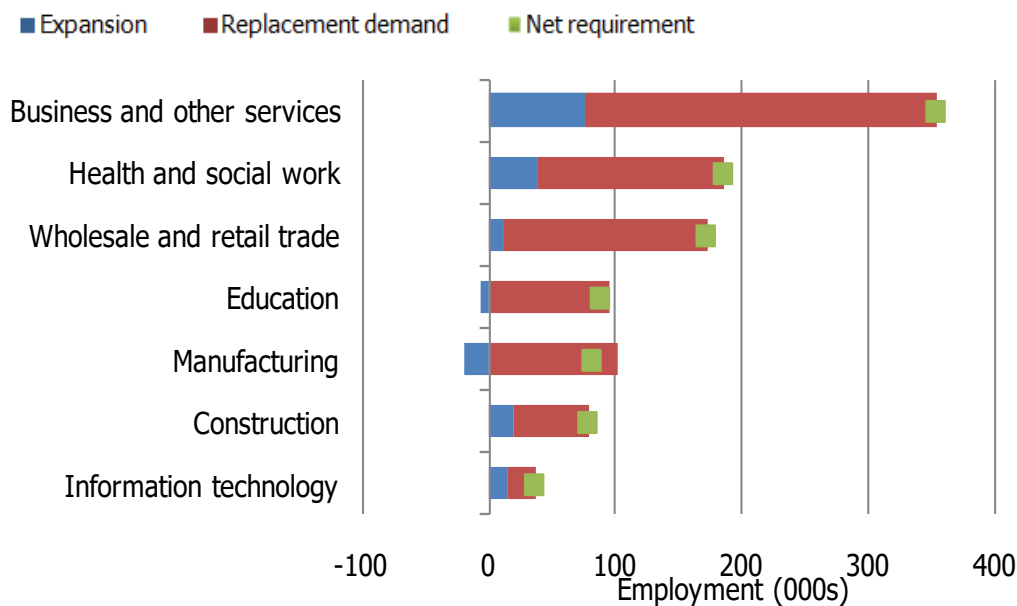
**Table 45 Construction, employment to 2022**

Employment Levels (000s)	2012	2017	2022	2012 - 2022		
				Net Change	Replacement Demands	Total Requirement
1. Managers, directors and senior officials	11	13	15	4	4	8
2. Professional occupations	16	19	21	6	6	11
3. Associate professional and technical	9	10	11	3	3	6
4. Administrative and secretarial	14	14	14	0	6	6
5. Skilled trades occupations	94	97	100	6	31	37
6. Caring, leisure and other service	0	0	0	0	0	0
7. Sales and customer service	3	3	4	1	1	2
8. Process, plant and machine operatives	13	13	13	0	4	4
9. Elementary occupations	9	9	9	0	3	3
<b>Total</b>	168	178	187	19	60	79

**Table 46 Qualification requirement to 2022 (000's)**

	Base year 2012	Change 2012-2022	Projected level 2022	Replacement Demand	Total requirement
QCF 7-8	4	5	9	2	7
QCF 4-6	27	13	40	9	23
QCF 3	50	-3	48	18	15
QCF 2	46	8	54	16	24
QCF 1	26	1	27	9	10
No Qual	15	-5	9	5	0
<b>Total</b>	168	19	187	60	79

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**Chart 33 Employment change by main sectors, West Midlands, 2022**

Source: Working Futures, West Midlands, 2015 to 2022.

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**Table 47 Change in qualification levels needed for predicted change in occupational structure, West Midlands**

NVQ Level <sup>7</sup>	% change needed
Level 4	+24%
Level 3	-6%
Level 2	-2%
Level 1	-18%
No Qual	-26%

Source: Working Futures, West Midlands, 2015 to 2022.

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**Table 48 Employment forecasts by Occupation, Birmingham, 2013-2025**

<b>Occupational Group</b>	<b>2013</b>	<b>2025</b>	<b>Change 2013-2025</b>
Corporate Managers	67,900	79,100	11,200
Managers and Proprietors	14,000	16,300	2,300
Science/Tech Professionals	16,200	21,900	5,700
Health Professionals	7,400	12,800	5,500
Teaching/Research Professionals	42,700	36,800	-6,000
Business/Public service Professionals	16,000	18,600	2,500
Science Associate Professionals	9,700	9,900	200
Health Associate Professionals	39,000	40,100	1,000
Protective Service Occupations	1,500	2,600	1,100
Culture/Media/Sport Occupations	7,200	8,500	1,300
Bus/Public Serv. Assoc Professionals	23,500	31,700	8,200
<b>Higher Skilled Occupations</b>	<b>245,200</b>	<b>278,300</b>	<b>33,100</b>
Admin & Clerical Occupations	33,400	31,200	-2,200
Secretarial & Related Occupations	4,900	2,400	-2,500
Skilled Agricultural Trades	600	800	200
Skilled Metal/Elec Trades	21,100	18,800	-2,300
Skilled Construct. Trades	8,200	7,600	-600
Other Skilled Trades	8,400	4,600	-3,800
Caring Personal Service Occs	43,900	53,800	9,900
<b>Intermediate Skilled Occupations</b>	<b>120,500</b>	<b>119,200</b>	<b>-1,200</b>
Leisure/Other Personal Service Occupations	6,700	7,200	500
Sales Occupations	29,300	26,700	-2,600
Customer Service Occupations	8,200	12,900	4,700
Process Plant & Mach Operatives	26,000	22,200	-3,800
Transport Drivers and Operatives	11,100	12,200	1,100
Elementary: Trades/Plant/Mach	26,200	28,100	1,900
Elementary: Clerical/Service	40,400	35,800	-4,600
<b>Lower Skilled Occupations</b>	<b>147,900</b>	<b>145,200</b>	<b>-2,700</b>
		Net change:	29,200

Source: Local Economy Forecasting Model (LEFM), Cambridge Econometrics

**Table 49 HS2 Build Phase (job Years), West Midlands**

	Total	No Quals	Level 1	Level 2	Level 3	Level 4+	Apprentice- ships & Other
2015	837	92	134	142	151	209	109
2016	1,570	173	251	267	283	393	204
2017	7,327	806	1,172	1,246	1,319	1,832	952
2018	13,607	1,497	2,177	2,313	2,449	3,402	1,769
2019	11,514	1,267	1,842	1,957	2,072	2,878	1,497
2020	11,514	1,267	1,842	1,957	2,072	2,878	1,497
2021	8,897	979	1,424	1,512	1,601	2,224	1,157
2022	8,897	979	1,424	1,512	1,601	2,224	1,157
2023	733	81	117	125	132	183	95
2024	105	12	17	18	19	26	14
Avg 2017-2022	10,293	1,133	1,647	1,750	1,852	2,573	1,338
Total 2015-2024	65,000	7,150	10,400	11,050	11,700	16,250	8,450

Source: HS2 Growth Strategy, Solihull Observatory

**Table 50 HS2 Post Build Phase (New Jobs per Year), West Midlands**

	Total	No Quals	Level 1	Level 2	Level 3	Level 4+
2026	4,631	293	548	907	926	1,957
2027	4,631	293	548	907	926	1,957
2028	4,631	293	548	907	926	1,957
2029	4,631	293	548	907	926	1,957
2030	4,631	293	548	907	926	1,957
2031	4,003	253	473	784	800	1,692
2032	4,003	253	473	784	800	1,692
2033	4,003	253	473	784	800	1,692
2034	4,003	253	473	784	800	1,692
2035	4,003	253	473	784	800	1,692
2036	3,434	217	406	673	686	1,451
2037	3,434	217	406	673	686	1,451
2038	3,434	217	406	673	686	1,451
2039	3,434	217	406	673	686	1,451
2040	3,434	217	406	673	686	1,451
2041	4,121	261	487	807	824	1,742
2042	4,121	261	487	807	824	1,742
2043	4,121	261	487	807	824	1,742
2044	4,121	261	487	807	824	1,742
2045	4,121	261	487	807	824	1,742
Annual Avg 2026-2045	4,047	256	479	793	809	1,711
Total 2022-2045	80,940	5,124	9,573	15,853	16,178	34,211

Source: HS2 Growth Strategy, Solihull Observatory

## Data sources

Source	Annual Population Survey, ONS
Indicators used in the report	Economic activity and qualifications at the local authority level.
Smallest geography available	LA
Current Source File	APS, NOMIS
Source Update Frequency	Quarterly
Source Format	API: Excel, Json, CSV, xdmx or Excel from normal NOMIS
Quality and robustness	<a href="#">Link</a>

Source	Business Register and Employment Survey (BRES)
Indicators used in the report	Workplace employment by sector at the local authority level.
Smallest geography available	LA
Current Source File	NOMIS via a state notice
Source Update Frequency	Annual
Source Format	Excel
Quality and robustness	<a href="#">Link (LFS but has section on APS)</a>

Source	DWP Benefit Statistics, Work and Pensions Longitudinal Study (WPLS)
Indicators used in the report	Out of work benefit claimants
Smallest geography available	Lower output areas
Current Source File	NOMIS or DWP Tabtool Updated out of work benefits claimant rates can be found in BCC's Worklessness Briefing downloadable from: <a href="http://www.birmingham.gov.uk/labourmarket">www.birmingham.gov.uk/labourmarket</a>
Source Update Frequency	Quarterly
Source Format	Excel
Quality and robustness	WPLS links benefit and programme information held by DWP on its customers to employment records from HMRC. This dataset is based on 100% of claims so is not subject to any sampling error. In outputs figures are rounded to the nearest 10, and those below 5 are suppressed as statistically unreliable.

Source	Universal Credit experimental statistics
Indicators used in the report	Claimant unemployment: JSA + out of work UC
Smallest geography available	Jobcentre Office
Current Source File	UC statistics from Stat-Xplore + JSA statistics from NOMIS <a href="#">UC statistics summary</a> This new claimant count measure is now available via NOMIS too.
	Updated claimant count (unemployment) benefits claimant rates can be found in BCC's Unemployment Briefing downloadable from: <a href="http://www.birmingham.gov.uk/birminghameconomy">www.birmingham.gov.uk/birminghameconomy</a>
Source Update Frequency	Monthly
Source Format	Excel
Quality and robustness	These statistics have been developed using guidelines set out by the UK Statistics Authority, and are new official statistics undergoing evaluation. They have, therefore, been designated as Experimental Statistics.

Source	DWP Work Programme Statistics
Indicators used in the report	Referrals and Job outcomes by payment group
Smallest geography available	LA
Current Source File	<a href="#">DWP WP Tabtool</a>
Source Update Frequency	Monthly
Source Format	HTML – can be pasted into Excel
Quality and robustness	<p>A standard set of quality assurance procedures are conducted for each statistical release which consist of checking:</p> <ul style="list-style-type: none"> <li>•duplicate, missing or contradictory information</li> <li>•accordance across computer systems (LMS and PRaP) and with management information</li> <li>•trends and variation in characteristic, time series and geographical breakdowns</li> <li>•trends and differences in post payment adjustment factors</li> <li>•dual methodology testing of data visualisation</li> <li>•automated checks against tolerances for a sample of tabulation tool tables</li> </ul> <p>Individual variables remain complete and consistent with existing sources, comparisons across systems remain predominantly within a 0.1% tolerance, including across key breakdowns and time series. In addition to the quality assurance of the statistics, assurance of the underlying administrative data is also carried out. The National Audit Office published a <a href="#">report</a> in August 2013 on their review of the data systems associated with the Work Programme Business Plan Transparency indicator (and therefore all key Work Programme National statistics).</p>

Source	2011 Census
Indicators used in the report	Average qualification levels by ethnic group
Smallest geography available	Lower output areas
Current Source File	NOMIS
Source Update Frequency	Every 10 years
Source Format	Excel
Quality and robustness	The most accurate source for small areas (nearly 100% coverage)

Source	Labour Force Survey, ONS
Indicators used in the report	<p>LFS variable: those entering employment in the last 3 months to show more current demand by qualification i.e. Actual qualifications entering various occupations as opposed to those actually needed for that occupation. Specific variable names within the SPSS file:</p> <p>EMPLen: entered employment in last three months  SOC10m: Occupation classification at the 4 digit level  LEVQUAL11: Highest qualification  GOVTOF2: Region of resident  GORWKR: Region of place of work</p>
Smallest geography available	Region
Current Source File	Data archive (needs registration and project description)
Source Update Frequency	Quarterly
Source Format	SPSS
Quality and robustness	<p>Need to combine four LFS quarters to get robust sample at the regional level for some combination of variables</p> <p><a href="#">Link</a></p>

Source	Annual Survey of Hours and Earnings, ONS
Indicators used in the report	Jobs and wages: growth/decline matrix by 3 or 4 digit SOC
	Table 15: Data on levels, distribution and make-up of earnings and hours worked for London employees by sex and full-time/part-time status in all industries and occupations. Use median earnings by occupation and job number column.
Smallest geography available	Region
Current Source File	<a href="#">ASHE</a>
Source Update Frequency	Annual, updated in November
Source Format	Excel
Quality and robustness	3 digit SOC is more reliable than 4 digit. Total jobs Chart may underestimate count but for the matrix percentages increase/decrease is used so not a major concern

Source	LAMP, Monster and CESI
Indicators used in the report	Real time vacancy statistics by 3 digit SOC occupation
	Student numbers by subject area matched to SOC occupations
Smallest geography available	Individual College
Source Update Frequency	Every month
Quality and robustness	<p>1) Vacancy statistics are derived from the Universal JobMatch database plus job advert scraping from the largest online job sites: software is used to find duplicates where the same job is advertised in multiple job sites. However, not all jobs are advertised on job sites - some jobs (especially at the elementary level) are advertised on shop window job boards, local newspapers etc. and are not captured.</p> <p>2) Warwick University CASCOT software is used to assign job descriptions to SOC occupation codes. This is reliant on job titles and job descriptions.</p> <p>3) Occupation SOC codes are matched to Sector subject areas (SSA) using a method designed by the Institute of Fiscal Studies.</p> <p>4) The number of students doing courses within each SSA comes from SFA college returns.</p> <p>The latest available data on student numbers is used, however, they are usually a year older than the real time vacancy data. Therefore the number of students doing various subjects may have fallen or risen during the time period used for vacancy statistics.</p>

Source	Employer Skills Survey, UKCES
Indicators used in the report	Vacancies by occupation
	Skill demand by occupation and sector local employers
	Specific skill shortages cited by employers
	Unfilled vacancies
Smallest geography available	LA
Data link	<a href="#">Link</a>
Quality and robustness	<a href="#">Link</a>
Source Update Frequency	Bi-annual
Source Format	Excel. API: Json from LMI for All

Source	Working Futures, UKCES
Indicators used in the report	Employment projections by sector, occupation, qualification level Replacement demand (due to mortality, retirement, career moves etc.)
Smallest geography available	LA
Data link	<a href="#">Link</a>
Quality and robustness	<a href="#">Link</a>
Source Update Frequency	Bi-annual
Source Format	Excel. API: Json from LMI for All

Source	Local Economy Forecasting Model (LEFM): Cambridge Econometrics and The Warwick Institute for Employment Research
Indicators used in the report	Employment projections by occupation
Smallest geography available	LA
Quality and robustness	The Baseline scenario projections in LEFM are based on the historical relationship between growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on an industry-by-industry basis. The Baseline projections assume that these relationships will continue to hold in the future. Thus, if growth in an industry in the local area (district) outperformed the industry in the West Midlands (or UK) as a whole in the past, then it will be assumed to do so in the future. Similarly, if it underperformed the region (or UK) in the past then it will be assumed to underperform the region (or UK) in the future. The projections for some sectors, in which growth is more closely related to changes in population, are based on historical relationships between growth in output per capita in the local area and output per capita in the region or UK as a whole. These industries are: retail, public administration, education, health, and miscellaneous services (which includes leisure services)
Source Update Frequency	Annual

Source	key stage 4 results, including GCSEs
Indicators used in the report	Percentage of pupils achieving 5+ A*-C grades including English and mathematics GCSEs
Smallest geography available	By School
Current Source File	<a href="#">Link</a>
Source Update Frequency	Annual
Source Format	Excel
Quality and robustness	<a href="#">Link</a>

Source	Skills Funding Agency
Indicators used in the report	Learner volumes
Smallest geography available	Local Authority
Current Source File	<a href="#">Link</a>
Source Update Frequency	Annual
Source Format	Excel
Quality and robustness	Based on Individual Learner Records <a href="#">Link</a>

Source	Skills Funding Agency
Indicators used in the report	Funding Allocations
Smallest geography available	By provider
Current Source File	<a href="#">Link</a>
Source Update Frequency	Annual
Source Format	Excel

Source	HS2 projections. Albion Economics, HS2 Consortium, Solihull Observatory
Indicators used in the report	Employment projections by qualification
Smallest geography available	GBSLEP
	<a href="#">The analysis has drawn upon a wide range of data sources and evidence. A full list of sources and those who have assisted in providing them is included in this linked report.</a>
Quality and robustness	The approach has been to estimate job calculations from 'bottom up' principles wherever possible. Detailed relationships have been developed between cost budgets, physical outputs, wage rates and employment, by type of job and skill level, drawing on a number of evidence sources and 'coalface' industry expertise. This includes NSARE's published work on jobs and skills in the railway industry (although it was not possible to utilise its detailed datasets), as well as benchmark evidence from other High Speed Rail projects, including HS1 and TGV. The approach work and outturn results have benefitted from review by ILG member organisations and been refined in light of such. The calculations utilise disaggregate published budget data from HS2 Ltd based on the March 2012 cost and design freeze, together with other cost information provided from the same source.
Source Update Frequency	<a href="#">One off report</a>





# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Birmingham Skills Investment Plan
<b>Directorate</b>	Economy
<b>Service Area</b>	STP Employment
<b>Type</b>	New/Proposed Policy
<b>EA Summary</b>	The development of a Birmingham Skills Investment Plan (SIP) was a major priority in the Leader's Priority Statement 2014/15. The intent is to produced a SIP that is clearly rooted in an employer led statement of current and future skills needs in the City, linked to jobs and economic growth. The SIP is intended to address the whole range of issues which contribute to the problem of mismatch of supply and demand, and is intended to be jointly owned and implemented by stakeholders across the City.
<b>Reference Number</b>	EA001132
<b>Task Group Manager</b>	jane.newman@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2016-02-05 00:00:00 +0000
<b>Senior Officer</b>	Shilpi.Akbar@birmingham.gov.uk
<b>Quality Control Officer</b>	Lesley.Edwards@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 Policy.

## **2 Overall Purpose**

### **2.1 What the Activity is for**

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What is the purpose of this Policy and expected outcomes?	<p>The development of a Birmingham Skills Investment Plan (SIP) was a major priority in the Leaders Priority Statement 2014/15. The intent is to produce a SIP that is clearly rooted in an employer led statement of current and future skills needs in the City, linked to jobs and economic growth. The SIP is intended to address the whole range of issues such as careers advice in schools, skills gap between current and projected demand, lack of quality apprenticeship routes which all contribute to the problem of mismatch of supply and demand, and is intended to be jointly owned and implemented by stakeholders across the City. This includes training providers, schools, employers. The context for the development of the SIP is set against a complex interaction of social and economic strategies to encourage the retention of skills within the City, the engagement of young people and the attraction of new and growing businesses to Birmingham through the inward investment activity of Marketing Birmingham and the Greater Birmingham and Solihull Local Enterprise Partnership as well as the Midlands Engine for Growth. It will support the delivery of the Birmingham Youth Promise and align with the work developing out of the Kerslake Review published in December 2014.</p> <p>The Birmingham Skills Investment Plan is a partnership statement of policy and actions designed to raise skills in Birmingham and support economic growth as well as level the playing field for all Birmingham residents who are affected by low skills, no skills and barriers to employment. The statistical data that is contained demonstrates that Birmingham as a whole lags behind Core Cities (Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool, Manchester, Newcastle, Nottingham, Sheffield) and the UK as a whole. Nearly 16% of all working age residents have no qualifications and this rises to 27% for workless people. Our employment rate is the second lowest (behind Liverpool) of all English core cities. The Birmingham economy needs to create even more jobs to close the employment gap with other cities, and an increasing proportion of these will demand high qualifications. Our ambition is to move an extra 70,000 residents into employment by 2026 increasing the present employment rate of 62% to 67%. This would halve the gap between Birmingham's current employment rate and the UK employment rate. It would also take us above the current English core city average of 66%.</p> <p>The Plan itself comprises a comprehensive labour market information review as well as a policy statement of actions. The Plan has been developed following extensive consultation with employers and employer organisations, third sector organisations, schools, providers of FE and HE, Chamber of Commerce, Birmingham Education Partnership DWP, internal partners such as the Careers Service, Youth Service. Consultation has been via face-to face interviews, telephone interviews and group consultations with groupings such as the Birmingham Employment and Skills Board and the Birmingham Youth Partnership. The process for developing the SIP was overseen by a Steering Group which included FE, HE, Chamber of Commerce, third sector, DWP and the Skills Funding Agency.</p>
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**For each strategy, please decide whether it is going to be significantly aided by the Function.**

Public Service Excellence	No
A Fair City	Yes
A Prosperous City	Yes
A Democratic City	No

## **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 Analysis on Initial Assessment

The Birmingham Skills Investment Plan is a partnership statement of policy and actions designed to raise skills in Birmingham and support economic growth as well as level the playing field for all Birmingham residents who are affected by low skills, no skills and barriers to employment. The statistical data that is contained demonstrates that Birmingham as a whole lags behind Core Cities and the UK as a whole. Nearly 16% of all working age residents have no qualifications and this rises to 27% for workless people. Our employment rate is the second lowest of all English core cities. The Birmingham economy needs to create even more jobs to close the employment gap with other cities, and an increasing proportion of these will demand high qualifications. Our ambition is to move an extra 70,000 residents into employment by 2026 increasing the present employment rate of 62% to 67%. This would halve the gap between Birmingham's current employment rate and the UK employment rate. It would also take us above the current English core city average of 66%.

The Plan itself comprises a comprehensive labour market information review as well as a policy statement of actions that are signed up to by stakeholders across the City such as training providers and employer representative bodies. The Plan has been developed following extensive consultation with employers and employer organisations, third sector organisations, schools, providers of FE and HE, Chamber of Commerce, Birmingham Education Partnership DWP, internal partners such as the Careers Service, Youth Service. The process for developing the SIP was overseen by a Steering Group which included FE, HE, Chamber of Commerce, third sector, DWP and the Skills Funding Agency.

The Plan is targeted at raising skills and employment levels across the City for all Birmingham residents and is not targeted on any particular group and therefore there are no adverse implications identified from the recommendations of the Skills Investment Plan

### **3 Concluding Statement on Full Assessment**

The Plan itself comprises a comprehensive labour market information review as well as a policy statement of actions that are signed up to by stakeholders across the City. The Plan has been developed following extensive consultation with employers and employer organisations, third sector organisations, schools, providers of FE and HE, Chamber of Commerce, Birmingham Education Partnership DWP, internal partners such as the Careers Service, Youth Service. The process for developing the SIP was overseen by a Steering Group which included FE, HE, Chamber of Commerce, third sector, DWP and the Skills Funding Agency. The Birmingham Skills Investment Plan is targeted at raising skills and employment levels across the City for all Birmingham residents and is not targeted on any particular group and therefore there are no adverse implications identified from the recommendations of the Skills Investment Plan. Therefore a Full Assessment is not required.

### **4 Review Date**

31/03/17

### **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>STRATEGIC DIRECTOR FOR ECONOMY</b>
<b>Date of Decision:</b>	<b>16<sup>th</sup> February 2016</b>
<b>SUBJECT:</b>	<b>WEST MIDLANDS INTEGRATED TRANSPORT AUTHORITY STRATEGIC TRANSPORT PLAN: "MOVEMENT FOR GROWTH"-</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>Relevant Cabinet Member(s) or Relevant Executive Member:</b>	<b>CLLR TAHIR ALI, CABINET MEMBER FOR DEVELOPMENT, TRANSPORT AND THE ECONOMY</b>
<b>Relevant O&amp;S Chairman:</b>	<b>CLLR VICTORIA QUINN, ECONOMY, SKILLS AND SUSTAINABILITY</b>
<b>Wards affected:</b>	<b>All</b>

### 1. Purpose of report:

- 1.1 This report seeks endorsement of the West Midlands Integrated Transport Authority's (ITA) Strategic Transport Plan, Movement for Growth which will replace Local Transport Plan 3.

### 2. Decisions recommended:

- 2.1 That Cabinet:
- a) Endorses Movement for Growth which was approved by the West Midlands Integrated Transport Authority on 17th December 2015.
  - b) Supports the use of Movement for Growth to inform future transportation capital investment projects and programmes in Birmingham.
  - c) Agrees that Movement for Growth is presented to Full Council for adoption as City Council transport policy and to amend the constitution as appropriate.

<b>Lead Contact Officer(s):</b>	David Harris – Transport Policy Manager
Telephone No:	0121 464 5313
E-mail address:	david.i.harris@birmingham.gov.uk

### **3. Consultation**

#### **3.1 Internal**

- 3.1.1 Consultation on the draft version of Movement for Growth took place Autumn 2015. All Members were informed of the consultation and provided with a full and summary version of the document. Comments were invited and Members encouraged to respond. The Economy, Skills and Sustainability Overview & Scrutiny Committee received a presentation on the strategy from West Midlands Integrated Transport Authority (WMITA) officers on 16th October 2015. Members were generally supportive of the approach.
- 3.1.2 Consultation on the draft version of Movement for Growth was undertaken with officers in other service areas including Highways, Planning & Regeneration and Environmental Health and comments received helped to develop the Council's response which was approved by the Cabinet Member for Development, Transport & the Economy on 15<sup>th</sup> October 2015. Comments expressed in the City Council's response have been used in developing the final version of Movement for Growth.
- 3.1.3 Officers from City Finance and Legal & Democratic Services have been involved in the preparation of this report.
- 3.1.4 The Leader of the Council and the Cabinet Members for Inclusion and Community Safety and Sustainability were consulted on this report and they support the proposals proceeding to an executive decision.

#### **3.2 External**

- 3.2.1 The WMITA held a public consultation event regarding the draft version of Movement for Growth at the Council House on 17th September 2015 which was attended by members of the public, stakeholders and City Council officers from Growth and Transportation. Comments expressed at the consultation events have been used in developing the final version of Movement for Growth.
- 3.2.2 No external consultation has been undertaken on this report as it is concerned with endorsing Movement for Growth, which was approved by the WMITA on 17th December 2015.

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

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

- 4.1.1 This report is consistent with the City Council's Business Plan 2015+ policies, including the primary goals for a Prosperous City and a Democratic City.
- 4.1.2 This report is in accordance with the general move towards greater devolution across the UK, including the creation of the West Midlands Combined Authority (WMCA). More specifically, it is in accordance with the City Council's Business Plan 2015+ 'triple devolution' approach, which specifies issues of strategic planning, transport, and economic development to be addressed at Combined Authority level.
- 4.1.3 The City Council's Birmingham Connected 20-year strategy for improving the City's transport network forms a key element of this overarching West Midlands Strategic Transport Plan.

#### **4.2 Financial Implications**

- 4.2.1 Movement for Growth sets out an overarching framework and principles for developing the West Midlands transport network and identifies possible sources of funding to enable delivery including resources which will be made available as a result of the Combined Authority Devolution Agreement. Movement for Growth, itself, does not entail any financial commitment for the City Council therefore this report has no financial implications. Actual delivery will depend upon funding availability, local and regional priorities and management of any revenue consequences which arise. Specific schemes to be delivered by the City Council will be dealt with through the City Council's governance arrangements.



#### 4.3 Legal Implications

- 4.3.1 The new Strategic Transport Plan (referred to as Movement for Growth) will replace the Local Transport Plan 3 (LTP3), as the statutory Local Transport Plan for the WMITA as a Local Transport Authority. Preparation of the Local Transport Plan is a statutory requirement under S108(3) of the Transport Act 2000 (as amended by the Local Transport Act 2008). The responsibility for the preparation of the Strategic Transport Plan is with the WMITA.

#### 4.4 Public Sector Equality Duty

- 4.4.1 An initial Equalities Analysis has been carried out dated 3<sup>rd</sup> February 2016 (ref EA001101) and is attached as Appendix C. No adverse effects have been identified from the actions recommended in this report.

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

#### 5.1 Background

- 5.1.1 Movement for Growth will replace the existing West Midlands Local Transport Plan (LTP3) which was approved by the WMITA on 28th March 2011. The West Midlands LTP3 is a statutory document which sets out the transport strategy and policies for the West Midlands Metropolitan Area.
- 5.1.2 By virtue of the Local Transport Act 2000 (as amended), responsibility for the preparation of the Strategic Transport Plan is with the WMITA.
- 5.1.3 This plan forms the Metropolitan Area's overarching Urban Mobility Plan; around which each authority can develop their own bespoke strategies, such as Birmingham Connected, which reflect local needs but fit under the umbrella of the overarching objectives for the West Midlands.

#### 5.2 Proposals

- 5.2.1 The proposals set out in Movement for Growth seek to:
- Improve national and regional transport links to boost our economy;
  - Improve links across the metropolitan area to provide better access to jobs, education, key services and leisure opportunities;
  - Improve links within local communities to reduce reliance on cars for short distance trips and address social exclusion.
- 5.2.2 The strategy outlines the key transport objectives for the West Midlands Metropolitan Area, including;
- Supporting progress for a Midlands economic 'Engine for Growth' by creating a transport system befitting a sustainable, attractive and economically vibrant conurbation in the world's sixth largest economy;
  - Developing regional infrastructure to improve movement across the West and East Midlands and to maximise the opportunities provided by HS2;
  - Introduce a high quality, fully integrated bus, rail and rapid transit network that connects our main centres with quick, frequent services, and which is connected into wider local bus networks through high quality multi-modal interchanges and improved fares & ticketing;
  - Development of a metropolitan main road network ('Key Route Network') to provide for the main flows of people and freight using public and private transport;
  - Development of a metropolitan cycle network to provide a network of high quality cycle routes;
  - Development of a 'smart' mobility platform to make better use of transport capacity, giving people a wider set of travel options and better information about travel choices.

5.2.3 This approach seeks to achieve a number of key outcomes for the Metropolitan Area's transport network, these aim to:

- Increase in the number of people that are within 45 minutes travel time by public transport to a minimum of three main centres and the two West Midlands HS2 stations;
- Reduce transport's impact on our environment – improving air quality, reducing carbon emissions and improving road safety;
- Use transport improvements to enhance the public realm and attractiveness of our centres;
- Ensure that walking and cycling are a safe and attractive option for many journeys especially short journeys below one or two miles, by delivering a strategic cycle network and enhancing local conditions for active travel;
- Facilitate the efficient movement of people on our transport networks to enable access to education and employment opportunities and health and leisure services;
- Enable businesses to connect to supply chains, key markets and strategic gateways through improved strategic connections by road and rail;
- Maintain and develop our transport infrastructure and services effectively to help ensure they are safe and easily accessible for all.

5.3 Changes have been made to the draft document following the consultation, and the final document takes into account the issues raised in the Cabinet Member for Development, Transport and the Economy's response, which is included in Appendix B.

#### 5.4 Next Steps

5.4.1 The WMITA considered and approved Movement for Growth on 17<sup>th</sup> December 2015. Subject to approval by Cabinet it is recommended that Movement for Growth is presented and recommended for endorsement by Full Council and that it is adopted as City Council transport policy from that point forward.

5.4.2 The WMITA will be producing a ten year delivery plan which will identify projects and funding to take forward Movement for Growth, to be developed within the context of the emerging WMCA. Where projects are to be delivered by the City Council they will be in addition to existing projects funded through the Transportation and Highways Capital Funding Strategy 2015/16 to 2020/21, which is the subject of a separate report on the February Cabinet agenda.

### 6. **Evaluation of alternative options:**

6.1 The alternative option would be to not endorse the West Midlands Strategic Transport Plan, thereby implying disagreement with at least a part of the proposed strategy and subsequent implementation programme. Such a course of action would also not be supportive of the City Council's growth aspirations.

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

7.1 Endorsing the West Midlands Strategic Transport Plan: Movement for Growth will serve to demonstrate support for the strategy for transport in Birmingham and the West Midlands. It is in line with emerging arrangements for the WMCA and will help to provide direction for all transport related improvements in the City over a twenty year period.

<b>Signatures</b>	<b><u>Date</u></b>
Councillor Tahir Ali Cabinet Member for Development Transport, & the Economy .....	.....
Waheed Nazir Strategic Director for Economy .....	.....

<b>List of Background Documents used to compile this Report:</b>
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<p>“Birmingham Connected White Paper”: published by Birmingham City Council, November 2014</p> <p>“West Midlands Integrated Transport Authority Strategic Transport Plan: ‘Movement for Growth’”: report to Cabinet Member for Development, Transport and the Economy jointly with Deputy Chief Executive, 15<sup>th</sup> October 2015</p> <p>“West Midlands Integrated Transport Authority Strategic Transport Plan: ‘Movement for Growth’”: published by West Midlands Integrated Transport Authority, December 2015</p>
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<b>List of Appendices accompanying this Report (if any):</b>
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- |   |
|---|
| <ol style="list-style-type: none"> <li>1. Appendix A: The West Midlands Strategic Transport Plan, Movement for Growth, Full and Summary documents</li> <li>2. Appendix B: Birmingham City Council response to Movement for Growth consultation</li> <li>3. Appendix C: Equality Analysis</li> </ol> |
|---|

## **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) age</li> <li>(b) disability</li> <li>(c) gender reassignment</li> <li>(d) pregnancy and maternity</li> <li>(e) race</li> <li>(f) religion or belief</li> <li>(g) sex</li> <li>(h) sexual orientation</li> </ul>





# **MOVEMENT FOR GROWTH:** The West Midlands Strategic Transport Plan









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# Foreword

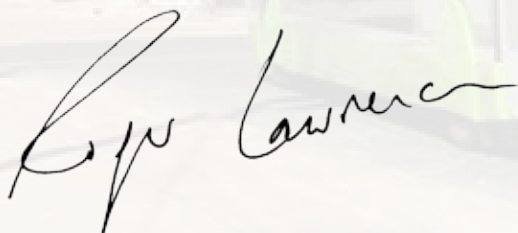
Positive, enduring change is happening in the West Midlands. A new Combined Authority, and recently announced devolution deal, will see an unprecedented step change in delivery to support our collective ambitions for economic growth. Transport is firmly at the heart of those plans.

We recognise both the challenges we face, and the opportunities that exist, in the West Midlands. We see the importance of an effective transport system for the creation of new jobs, economic growth which benefits all, new housing, clean air and improved health in our conurbation. As a fundamental element of our plans for devolution, we will invest in our infrastructure, ready for the arrival of High Speed Two, and in order to ensure that goods and people are able to move seamlessly throughout the West Midlands.

The plan is based on making better use of our existing capacity, through measures such as junction improvements, alongside large-scale investment in sustainable transport capacity and supporting operational and smaller scale measures.

This approach is set out in a four tier integrated transport network made up of national/regional, metropolitan and local tiers, all joined up by the role of ever-improving technology through “smart mobility”.

The Strategic Transport Plan sets out our vision, our priorities, our approach and our commitment to building a world class, sustainable, infrastructure system: one which is proudly comparable to our European counterparts. It is the transport plan for our emerging Combined Authority, one which we will vociferously support, lobby for, and deliver in line with. It is a plan which befits the people who live and work here and our world class businesses. It is now time for its delivery.



Cllr Roger Lawrence

Chair West Midlands Integrated Transport Authority

# Introduction

- 1.1 Since 2014 the leaders of the West Midlands have provided strong, clear leadership to strategic transport planning for the West Midlands Metropolitan Area. Leadership which will ensure that profound and enduring improvements are made to the West Midlands' transport system, matching the scale of the challenges faced over the next twenty years.
- 1.2 Ongoing changes to governance mean that the Leaders of the West Midlands will own this plan and oversee it's delivery as the new "West Midlands Combined Authority" (CA). This evolution will strengthen the resolve and leadership of the West Midlands further.
- 1.3 This strategic transport plan sets out the long term approach to guide many improvements, to be made year in, year out, over a twenty year period. These improvements will be delivered by a number of organisations, through a range of programmes and packages. The Combined Authority's role will be to ensure that this delivery is joined-up and in accord with this over-arching long term plan for transport.
- 1.4 A glossary of this document is contained in Appendix 4



# Our Challenges

- 2.1** London aside, the West Midlands is the largest urban area in the world's sixth largest economy. It is the manufacturing centre of the UK and its central location means that any north west-south-east or north east-south west national movement travels through, or around our conurbation.
- 2.2** The history of the West Midlands is a proud one, "the workshop of the world", based on industrial growth of distinct communities in the multi-centred Black Country, Birmingham, Solihull and the historic city of Coventry. Regeneration and reinvention are apace, as the West Midlands transforms itself into an advanced manufacturing and high-end services economy in a place where people want to live and work.
- 2.3** Consideration of travel flows show that there is a complex mix of national, conurbation-wide and local journeys, covering a multitude of origins and destinations. An improved transport system will serve these existing flows better, but must also serve the West Midlands for its future challenges.
- 2.4** There are five challenges for which an excellent transport system is an essential part of the solution::
- A. Economic Growth and Economic Inclusion
  - B. Population Growth and Housing Development
  - C. Environment
  - D. Public Health
  - E. Social Well-Being

## A. Economic Growth and Economic Inclusion

- 2.5** The economy of the West Midlands, as part of the "Midlands Engine for Growth", is currently on the rise:  
–export growth faster than Germany's: 70% growth between 2008 and 2014  
–motor manufacturing undergoing a renaissance  
–significant numbers of young professionals moving to the conurbation to make a decent living and enjoy a good quality of life.
- 2.6** The Midlands accounts for almost a quarter of England's manufacturing and is calculated to be equivalent to 38% of its GDP. 8 out of 16 top performing Local Enterprise Partnerships (LEPs) in England over the last 3 years are in the Midlands showing the potential for further economic output. The interaction between different services and manufacturing is particularly important in this respect.
- 2.7** Much needs to be done to foster and encourage this growth over the long term and to ensure the whole labour market enjoys the benefits of a stronger local economy, a high quality of life and enhanced liveability.
- 2.8** This is demonstrated by considering the West Midlands Metropolitan Area's current GDP per person and unemployment rate in the context of figures for comparable European cities: our skills, productivity and employment levels all need to continue to rise. High productivity levels and advanced manufacturing in Dusseldorf and Stuttgart, for example, give GDP per person figures which are greater by between two-thirds and double those for the West Midlands, with lower unemployment levels. Many Dutch, Belgian, French, Danish and Swedish city regions also have significantly higher GDP per capita.
- 2.9** Better transport will serve economic growth in the West Midlands by widening labour markets, unlocking sites for development, providing attractive centres for business location, giving people access to skills, education and training, encouraging high value growth clusters and agglomeration, and reducing business costs for links from suppliers to producers to markets: an important aspect of the West Midlands economy with its prized manufacturing assets. The West Midlands will maximise the great opportunities for growth presented to it by the arrival of High Speed Two in 2026 and support the enhanced role of Birmingham Airport as an international gateway.



- 2.10** Key growth locations for economic development are shown in figure 2.1 below. These will be well-connected by new transport schemes.

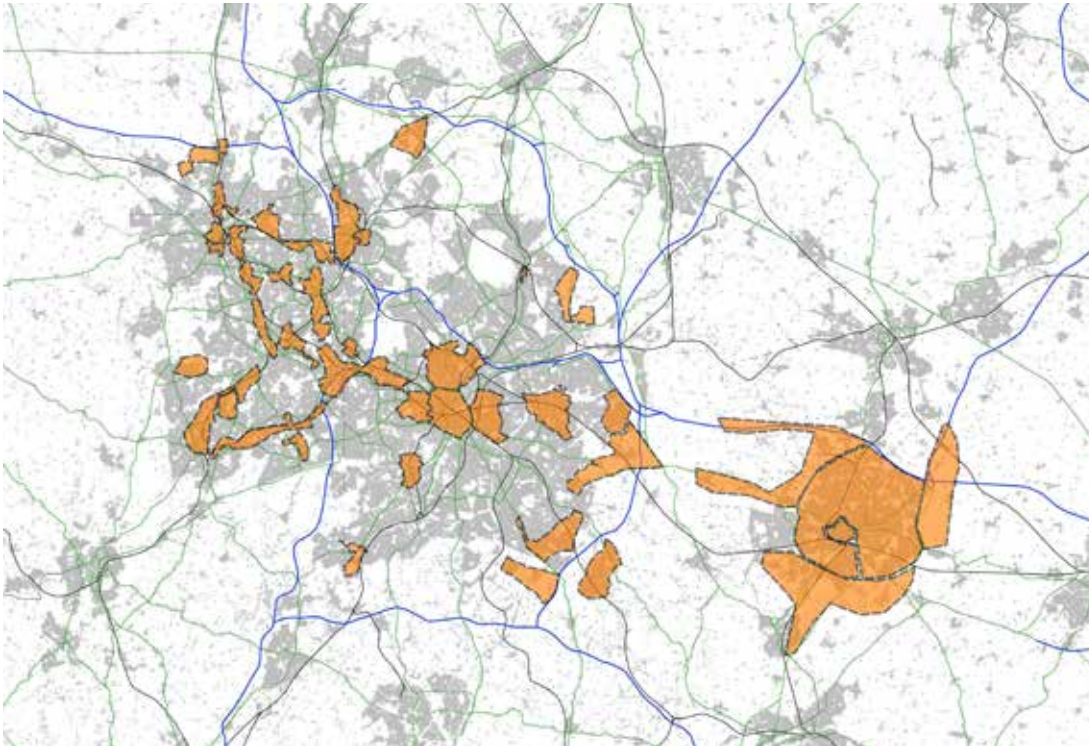


Figure 2.1:  
Key Growth  
Locations

## B. Population Growth and Housing Development

- 2.11** The Metropolitan Area's population is forecast to grow by 444,000 people by 2035 (ONS). This is the size of a Bristol, or a Liverpool, or a Nottingham. The number of new homes which will need to be built to help accommodate this growth over twenty years is in the order of 165, 000. The scale of new housing development increases when the wider journey to work area is considered, therefore requiring a joined-up, cross-boundary approach to housing development.
- 2.12** The location of new housing development should seek to make best use of existing transport assets and then consider the need for additional capacity, over and beyond this. New housing development must be well designed to accommodate the needs of all transport modes and must be fully integrated with existing transport networks.
- 2.13** Transport improvements will allow suitable sites to be developed for new homes and enable new travel demand to be met by sustainable forms of travel, alongside supporting a shift for more established travel patterns.
- 2.14** Significant development should be focused on locations where there is easy access to high quality public transport, or the opportunity to provide it, and residential development should be in neighbourhoods where people can access local services on foot.
- 2.15** Transport improvements will also need to consider the requirements of an increased elderly population as part of population changes and the significant growth in the number of young people in the West Midlands.

## C. Environment and Public Health

- 2.16** Building on existing work , such as the West Midlands Low Emissions Towns and Cities Programme (LETCP), local air quality needs to be improved, with the West Midlands becoming compliant with all relevant European Union emission limits for air pollutants, including limits for nitrogen dioxide. Transport related ambient noise also needs to be reduced.
- 2.17** The West Midlands will play its full part in reducing carbon emissions in line with the national target of an 80 % reduction from 1990 levels by 2050. Currently 28% of controllable CO2 emissions are from transport, so there is much scope for this role.

## D. Public Health

- 2.18** Public health impacts of poor air quality centre on respiratory problems alongside cardio-vascular problems, although evidence from other systemic impacts is growing, such as neurological impacts. Road transport emissions from exposure to fine particles account for around 1,460 premature deaths in the West Midlands ("Estimating Local Mortality Burdens Associated with Particulate Air Pollution", Public Health England, 2014). Deaths attributable to nitrogen dioxide may be in the region of around half that figure, when calculated based on the approach used in health risks of air pollution in Europe – HRAPIE Project (World Health Organisation 2013). The need to reduce emissions from the transport sector in the West Midlands is therefore highly important, particularly related to emissions from the motorway network and main arterial roads.
- 2.19** Other public health issues which transport strategy can positively influence are the need to help tackle the West Midlands' high obesity levels and diabetes through more active travel (walking and cycling), and to radically reduce the number and severity of road traffic casualties. Furthermore, transport related ambient noise also needs to be reduced.
- 2.20** Transport investment, such as new and improved public transport routes serving deprived communities and travel training, also help reduce health inequalities, allow greater access to fresh food retail outlets and can encourage positive mental health and reduced social isolation.
- 2.21** Improving people's quality of life through health improvements also brings positive economic impacts to the West Midlands. Use of the HEAT (Health Economic Assessment Tool) can quantify the potential cost savings of transport improvements such as reduced sickness levels of the labour force and reduced costs to the NHS.
- 2.22** Noise reduction techniques akin to those used for Dutch motorways can reduce health related impacts of continuous exposure to traffic related noise.

## E. Social Well-Being

- 2.23** Aside from greater participation in the economy of the labour market, the West Midlands needs to improve the quality of life for people not involved in the world of work. Better access to shops, services, healthcare, education, family and friends, entertainment and other life-enhancing opportunities is needed for all, particularly for socially excluded groups.

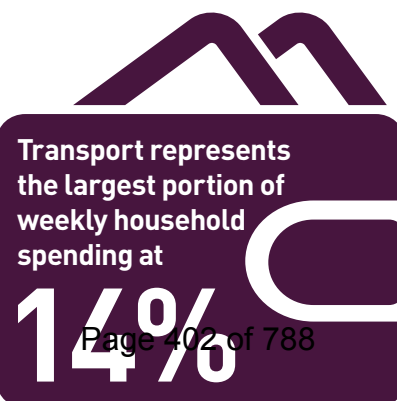
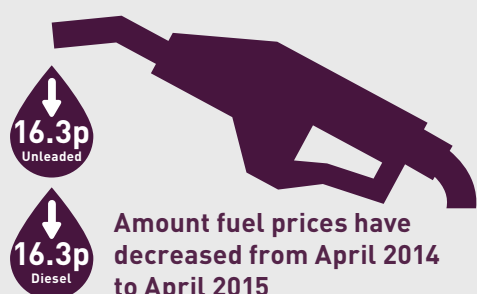
## The Figures



**36% of all morning peak trips to main centres are by public transport. In Birmingham city centre alone 58% of morning peak trips are made by public transport**



**National tourism entering the West Midlands Region increased by 29% & expenditure by 45%**



**Population is set to grow by as many as**



**people by 2035**

CO<sub>2</sub> emissions per passenger km



Car

CO<sub>2</sub>  
205 grams



Bus

CO<sub>2</sub>  
110 grams



Metro

CO<sub>2</sub>  
73 grams



Train

CO<sub>2</sub>  
56 grams

Transport accounts for around 25% of all man made CO<sub>2</sub> emissions.

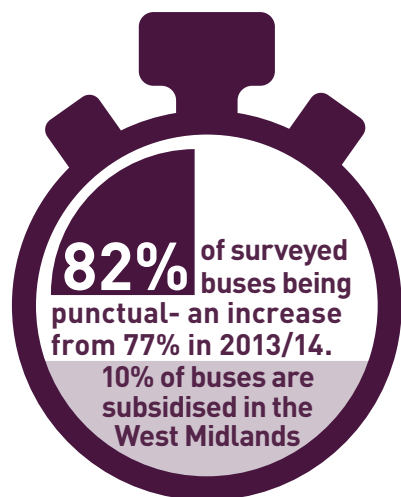
Patronage per head of population: West Midlands



**9.9 million**

**1.8 million**

**0.2 million**



International trips to the West Midlands Region shows an increase of 6% with 2 million trips made in 2014



The West Midlands Metropolitan Area has seen a 3.2% annual growth in GVA output, at

**£53.2bn**



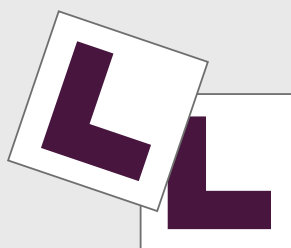
This equates to per head of the population in West Midlands (compared to UK £23,168 per head)

**£19,244**



Percentage of 17 - 20 year olds holding a driving licence:  
48% in 1994  
29% in 2014

Percentage of 21 - 29 year olds holding a driving licence:  
75% in 1994  
63% in 2014



Currently 77% of households in the region own cars. This is projected to rise to 81% by 2035



The West Midlands Area uses approximately million tons of fuel a year.

**0.95 MILLION TONS**

Percentage representation:

**63%**



**31%**



**6%**





# Our Vision

3.1 The Leaders of the West Midlands Metropolitan Area have set a new vision for transport:

“We will make great progress for a Midlands economic ‘Engine for Growth’, clean air, improved health and quality of life for the people of the West Midlands. We will do this by creating a transport system befitting a sustainable, attractive and economically vibrant conurbation in the world’s sixth largest economy:”

3.2 In support of this vision we will:

- Introduce a fully integrated rail and rapid transit network that connects our main centres with quick, frequent services, and which is connected into wider local bus networks through high-quality multi-modal interchanges.
- Increase the number of people that are within 45 minutes travel time by public transport to a minimum of three main centres and the two HS2 stations in central Birmingham and the UK Central Hub.
- Reduce transport’s impact on our environment – improving air quality, reducing carbon emissions and improving road safety.
- Use transport improvements to enhance the public realm and attractiveness of our centres
- Ensure that walking and cycling are a safe and attractive option for many journeys especially short journeys, by delivering a strategic cycle network and enhancing local conditions for active travel.
- Facilitate the efficient movement of people on our transport networks to enable access to education and employment opportunities and health and leisure services.
- Enable businesses to connect to supply chains, key markets and strategic gateways, including Birmingham Airport, through improved strategic connections by road and rail.
- Maintain and develop our transport infrastructure and services to ensure they are efficient, resilient, safe and easily accessible for all.



**3.3** This Strategic Transport Plan sets out the overall approach to deliver this vision, guiding improvements to be made year in, year out, over the long term. These improvements will match the scale of the challenges faced to support growth, and regeneration, and to foster environmental and social improvements.

## Objectives

**3.4** In light of the five core challenges above, nine objectives have been set for the Strategic Transport Plan. Transport policies flesh out the improvements to the transport system which help meet these high level objectives which are shown below:

### Economic Growth and Economic Inclusion

**ECON1** To support growth in wealth creation (GVA) and employment (jobs) in the West Midlands Metropolitan Area, as a prized national economic asset.

**ECON2** To support improved levels of economic well-being for people with low incomes in the West Midlands Metropolitan Area to help make it a successful, inclusive, European city region economy.

### Population Growth and Housing Development

**POP1** To help meet future housing needs, by supporting new housing development in locations deemed appropriate by local planning authorities, following their consideration of sustainable development criteria.

### Environment

**ENV1** To significantly improve the quality of the local environment in the West Midlands Metropolitan Area.

**ENV2** To help tackle climate change by ensuring large decreases in greenhouse gas emissions from the West Midlands Metropolitan Area.

### Public Health

**PUBH1** To significantly increase the amount of active travel in the West Midlands Metropolitan Area

**PUBH2** To significantly reduce the number and severity of road traffic casualties in the West Midlands Metropolitan Area

**PUBH3** To assist with the reduction of health inequalities in the West Midlands Metropolitan Area

### Social Well-Being

**SOC1** To improve the well-being of socially excluded people.

# Our Approach

## Policies

**4.1** Achieving the objectives requires much progress to be made in line with a coherent set of transport policies.

**4.2** Fifteen transport policies, supporting the nine objectives are set out in Appendix 1.

## Long Term Approach to Implement the Policies

**4.3** In order to attract new development to the West Midlands, the transport strategy must be able to sustain the resulting travel demand. This is alongside the need to open up more possibilities for the existing population to access desired destinations, particularly to promote greater economic growth and inclusion. There is also a need to recognise the role of journeys not related to work and it is also important to ensure that changing mobility needs arising from changes to our population, such as more elderly people, are met in our transport strategy.

**4.4** Research, by Age UK, identifies a number of transport barriers that older people face when undertaking journeys, both on foot and by public transport. These include physically inaccessible transport vehicles, the pedestrian environment, safety concerns, and attitudes of transport staff.

**4.5** The strategy considers all these issues whilst also helping to improve air quality in the West Midlands and reduce carbon emissions

**4.6** The strategy has considered three broad options for implementation, after making better use of existing transport capacity:

A. Meeting increased demand by providing new road capacity for private car and road freight vehicles.

B. Meeting increased demand by providing higher quality public transport, better conditions for walking and cycling and new public transport capacity, rail freight capacity, and cycling and walking capacity.

C. Considering different blends of the two above.

**4.7** Our preferred approach is the third, with a strong emphasis on making better use of existing transport capacity by using smart technology and better integration of transport to serve and manage demand better. This is supported by deeply promoting use of public transport, cycling and walking, alongside limited new highway links to unlock growth sites, improving junction pinchpoints and improvements to the environmental and safety performance of private cars and road freight vehicles within a smarter, more integrated urban transport system.

**4.8** Our approach entails large scale infrastructure improvements alongside a host of smaller scale schemes and constant attention to detail of delivery, operation and supporting promotion and awareness.

**4.9** The need for accessible provision is integral to our future transport system. Research indicates that accessibility of transport provision is a major barrier to participation and maintaining a sense of connectedness for people with disabilities. The ability to get out and about was consistently reported as being essential to mental health and independence as well as the ability to get and retain employment. The need for accessible provision is integral to our future transport system through such measures as accessible information provision, infrastructure design, comprehensive local network coverage, disability awareness and supporting services such as Ring and Ride and Community Transport

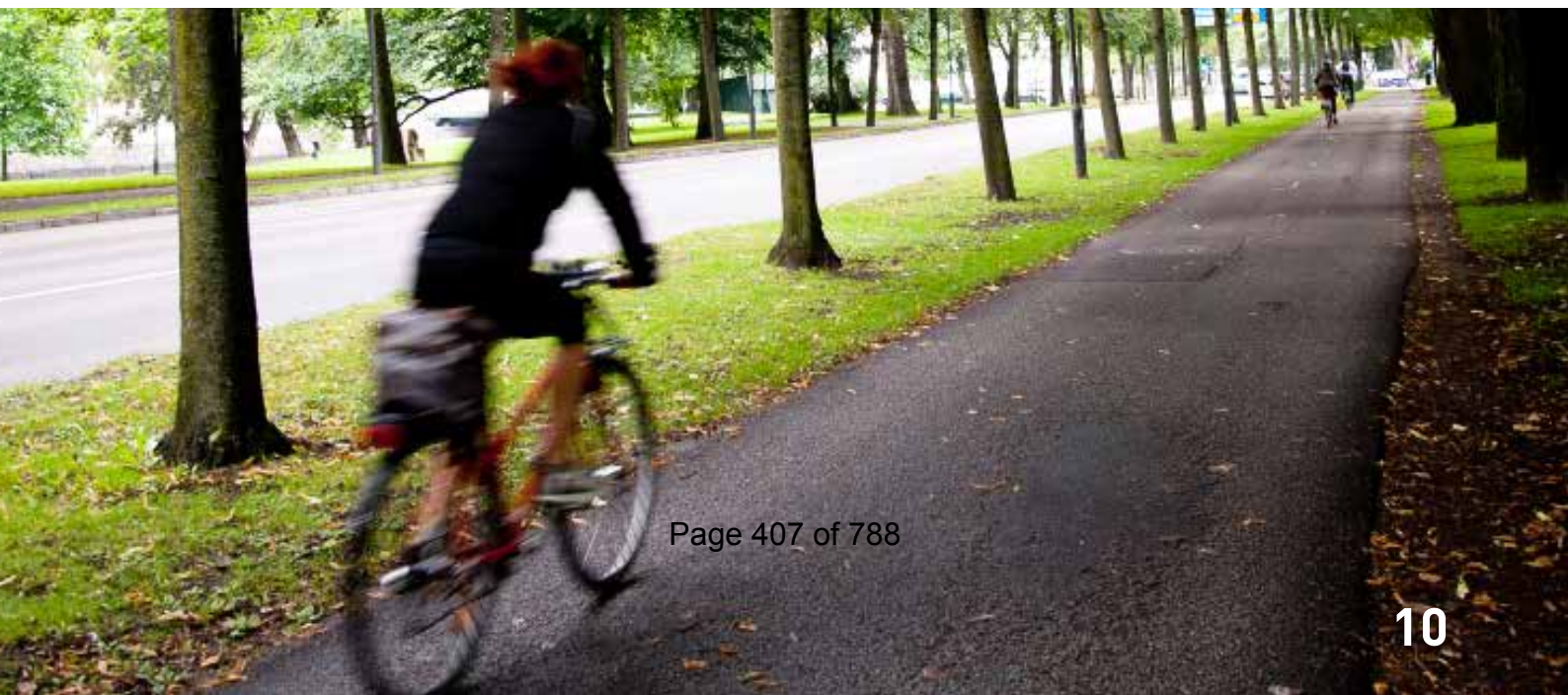
**4.10** Travel demand is forecast to increase by 22% over the next twenty years, due to increased population and higher employment levels. This combined with a long term trend for longer journeys, particularly for work, gives a 34 % forecast increase in the number of car kilometres travelled. This is an extra 1.2 million extra car journeys per weekday which is equivalent to the amount of traffic carried by ten 3 lane motorways, a huge increase in urban highway capacity.

**4.11** Evidence of adding significant new highway capacity in congested urban areas is that induced traffic leads to problems of poor connectivity for people and goods persisting – congestion just involves a higher magnitude of traffic. This is alongside increased requirements for large scale parking where land is scarce and at a premium, and impact on air quality, road safety and severance of communities by busier roads.

**4.12** The preferred approach supports the HS2 Growth Strategy, Midlands Connect, Birmingham Connected and the transport elements of the metropolitan area's three Strategic Economic Plans. It also integrates well with the existing and draft Core Strategies of the Metropolitan Area:

- More effective use of existing capacity with smarter choice initiatives supporting capital improvements
- New transport capacity to meet new travel demand – very much based on additional public transport capacity (rail and rapid transit, integrated with bus), cycling infrastructure and key walking routes
- Better integration of transport through a smart mobility approach with public transport, car clubs, park and ride, cycle hire and use of powered two wheelers (motorbikes and mopeds)
- Transport improvements to unlock development and help businesses grow, including limited new highway capacity and more attractive centre environments
- Better walking conditions
- Better cycling, including a high quality metropolitan cycle network
- Smart motorways/ improved junctions
- Asset management
- Smart technology (for example, better Urban Traffic Control, cashless payments for public transport use and better travel information)
- Acceleration of the uptake of ultra-low emissions vehicles through the co-ordinated planning and delivery of ULEV (Ultra Low Emission Vehicle) infrastructure
- A metropolitan area parking policy co-ordinated with improvements to sustainable modes of walking, cycling and public transport

**4.13** Our long term strategy will see a shift in emphasis of travel in line with thriving, prosperous, attractive, large European city regions such as Munich, Stuttgart and Dusseldorf, where car use accounts for typically 35 - 45% of all journeys, compared to 63% in the West Midlands Metropolitan Area.



## Twenty Year Vision for the Four Tiers of the Transport System

- 4.14** In line with the overall approach set out above, our strategy is based on developing three tiers of an integrated transport system, all underpinned by a fourth tier of smart mobility initiatives – the “glue” which binds the strategy together. This transport strategy helps to provide the basis for a wider, overall development strategy which is part of the emerging Combined Authority agenda.

### National and Regional Tier

- 4.15** The West Midlands Metropolitan Area requires excellent national and regional connectivity for the movement of people and freight. This is to get businesses connected, supplies to industry and the high value goods the West Midlands increasingly makes, to markets. It is also essential to allow national through movements crossing the West Midlands to be provided for without adversely affecting the West Midlands.
- 4.16** A nationally well-connected metropolitan area is also an attractive one for people to choose to locate to.

### International Gateways

- 4.17** Efficient links to the UK’s ports and Birmingham Airport are vital for the future development of the West Midlands economy. Birmingham Airport is a key international gateway within a national network of airports, and allows direct international connections which help exports, inward investment, tourism and leisure. The Leaders of the West Midlands Metropolitan Area fully support an enhanced national role for Birmingham Airport, building on the opportunities presented to it by the local public sector work to divert the A45 and hence allow Birmingham Airport to extend its runway.
- 4.18** Critical to the future success of Birmingham Airport for the West Midlands economy will be improved surface access to the airport within the wider UK Central Hub with the NEC and HS2 interchange.

### High Speed Two

- 4.19** High Speed Rail Two is the biggest national transport scheme in decades, and the West Midlands will ensure that the opportunities for growth this presents will be maximised. This will be by effectively “plugging-in” Birmingham Curzon Street and Interchange High Speed Rail Stations in the Metropolitan Area to local transport networks through the HS2 Connectivity Programme.

### Midlands Connect

- 4.20** The “Midlands Connect” initiative has identified six “intensive growth corridors” and four major hubs of economic activity across the wider Midlands (figure 4.1) in an area with a population of 11 million. Evidence from “Midlands Connect” shows that improved highway reliability and regular average speeds, and higher line speeds on inter-regional rail and highway links across the Midlands provide an economic benefit to the wider Midlands of up to £800m per annum by 2036 with 143,000 additional jobs when a ten per cent reduction in general travel costs are achieved. The schemes and measures arising from Midlands Connect technical evidence being produced for eight workstreams in 2016 will form the basis of development of this national/regional tier of the West Midlands Metropolitan Area’s transport system.
- 4.21** This will be important to realise improvements between the East and West Midlands in corridors such as the A46/M69 Corridor and the A5 Corridor.
- 4.22** Midlands Connect highlights the importance of freight movements serving the West Midlands and crossing central England. It will also be invaluable in helping identify schemes to assist freight movements and to assist advanced manufacturing and other growth sectors of the West Midlands economy.
- 4.23** The growth of rail freight is encouraged by the ITA, recognising the need to protect existing capacity for rail freight, create additional capacity for rail freight and support land use development plans which facilitate the growth of existing freight interchanges, and the development of new strategic and other freight interchanges which are market-led and support the needs of the West Midlands.
- 4.24** The refresh in 2016 of the West Midlands Metropolitan Freight Strategy, initially published in 2013, will complement the Midlands Connect initiative to identify and progress schemes and measures, including those that support suitable lorry parking and driver rest areas and ways to improve communication with road hauliers over planned road works.



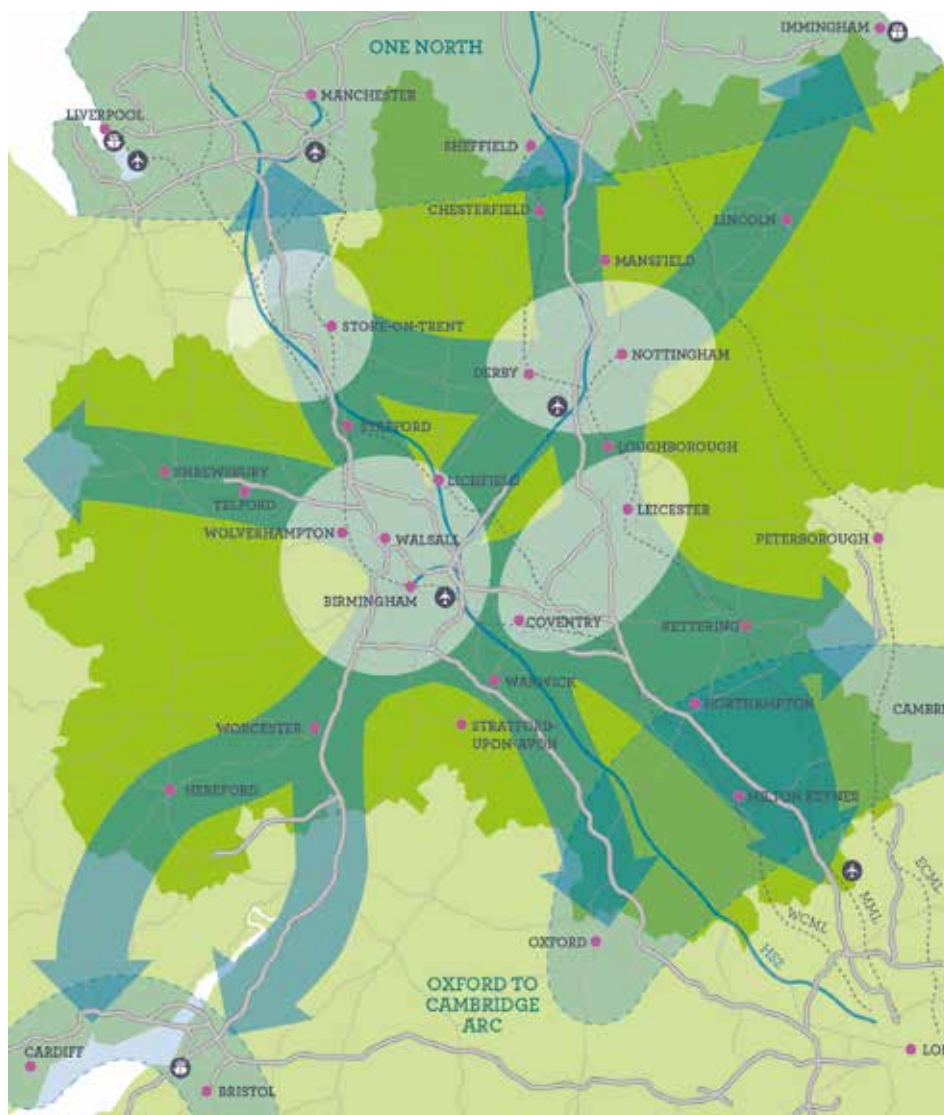


Figure 4.1:  
Midlands Connect  
Intensive Growth  
Corridors and  
Major Hubs

- 4.25** The niche, specialised role for freight of the West Midlands waterways will be explored further; for example where waste materials need to be transported from a site adjacent to a suitable waterway.
- 4.26** Midlands Connect is aligned to Network Rail's Long Term Planning Process and the West Midlands and Chilterns Route Study. Outputs from this Network Rail strategic planning will inform future rail schemes serving the West Midlands and wider regional rail connectivity, and so form highly important documents, particularly for the need to ensure increased central Birmingham rail capacity .
- 4.27** Also highly relevant to Midlands Connect is the Government's Road Investment Strategy (RIS) which contains 13 schemes in the West Midlands Region for Highways England to commence in the period 2015/16 to 2020/21. These include smart motorway sections and junction improvements on the M5, M6 and M42.
- 4.28** Highways England's strategic road network serving the West Midlands needs to possess appropriate motorway service area provision , in accord with the National Planning Policy Framework and the land use plans of relevant local planning authorities.
- 4.29** Wider use of the M6Toll is very important for the West Midlands and possible means to deliver this need exploring, to ensure better use and integration with the wider highway network.
- 4.30** Types of schemes in accord with the overall Midlands Connect approach are improved motorway junctions, new smart motorway sections, trunk road expressway upgrades, smart technology innovations for information and traffic management, limited new national strategic highway network links such as the M54 – M6/ M6Toll link, rail freight bottleneck improvements, such as the Water Orton rail junction, and line speed and capacity improvements for passenger and freight rail, including rail electrification schemes. Improved rail connections are vital between the Midlands and the East and South Midlands. New rail freight interchanges are also required.

**4.31** The long term strategic highway needs of the western side of the Metropolitan Area will need to be considered with Highways England and the Department for Transport in a new study related to this national/regional tier. This will need to consider the case for any new capacity in the context of the potential for modal transfer of local “junction-hopping” traffic using the motorway box, smart motorways, improved junctions and wider use of the M6 Toll.

**4.32** At the regional level there is a need to join up land use development plans with transport plans. This recognises the issue of new housing development location to meet the needs of the region. The strategic transport plan facilitates this integration by setting out the overall approach to metropolitan transport strategy and the high level nature of the transport system serving the West Midlands Metropolitan Area. Local development plans across the West Midlands will need to be informed by this plan.

### Coaches

**4.33** Coaches have an important role in national and regional travel and a key role in supporting the growth of the West Midlands visitor economy. Interventions which improve the reliability of coaches’ journey times and reliability, as part of wider transport schemes will be supported. Coach services will be taken into account in development of interchanges to support multi-modal journeys and new and innovative schemes to support coach services will be considered for national/regional tier improvements.

### Key Transport Priorities for the National and Regional Tier include:

- New Smart Motorway Sections
- Wider Use of M6 Toll
- M54-M6 / M6 Toll Link Road
- Improved Motorway Junctions on the Motorway Box M6, M5, M42, M40 including major improvements at M42 Junction 6
- Making better use of the A46, enabling wider Midlands movements and providing resilience to the Motorway Box
- Camp Hill Rail Chords to increase Central Birmingham rail capacity
- Water Orton corridor rail freight capacity enhancements
- Further electrification of key national and regional rail links
- Improved connections to, and within, the UK Central Hub area





## Metropolitan Tier

- 4.34** The Metropolitan Tier is the main element of this new strategy, addressing strategic movements across the conurbation, crossing arbitrary administrative boundaries. This is by the creation of three new networks for this tier: a metropolitan rail and rapid transit network, a metropolitan main road network and a metropolitan cycle network.

## Metropolitan Rail and Rapid Transit Network

- 4.35** The vision for the metropolitan rail and rapid transit network is based on suburban rail, metro (light rail) and tram-train, very light rail and SPRINT Bus Rapid Transit lines on suitable links of one single network. This is effectively integrated with local bus networks at main centre interchanges and local interfaces, underpinned by park and ride and whole system information, promotion and ticketing. This system will be easy to understand and use and be supported by with high standards of customer care: all people involved in its development and operation should be able to be proud of their contribution to such an asset for the West Midlands. Existing passenger rail lines and rapid transit in the West Midlands are shown in figure 4.2
- 4.36** The creation of this one, single high quality network will be a major transformation of public transport in the West Midlands. The long term network is shown in Figure 4.3 and is heavily influenced by the West Midlands HS2 Connectivity Programme and has been informed by the findings of the Black Country Rapid Transit Review. Indicative phasing of delivery of this network is shown in Figure 4.4, based on schemes already committed/provisionally committed, and phasing of the HS2 Connectivity Programme. Rail schemes in the HS2 Connectivity programme improve rail capacity and line speeds and include new stations and services.
- 4.37** A critical element of the successful delivery of the Metropolitan Rail and Rapid Transit Network is to increase central Birmingham rail capacity. Early schemes to help achieve this are Snow Hill line capacity enhancements associated with Snow Hill platform 4 reinstatement, the Camp Hill Chords and track and signalling improvements.
- 4.38** SPRINT Bus Rapid Transit lines form an important part of the Metropolitan Rail and Rapid Transit Network. Bus Rapid Transit (BRT) lines are in operation in 198 cities across the world, carrying 34 million passengers daily. As a form of public transport it has a proven track record of attracting increased public transport use when implemented. SPRINT is the West Midlands Bus Rapid Transit service and will display the main characteristics of Bus Rapid Transit which are found in all successful schemes across the world:

- Higher speed than conventional bus services – a minimum of 20 km per hour average, end to end (commercial) speed, based on experience of well-used BRT systems across Europe
- High specification, distinctive vehicles and system branding
- High levels of priority
- Accessible stops and services
- Limited stopping pattern compared to conventional bus services
- High frequency
- Pre-paid ticketing before you board (Off-board ticketing)

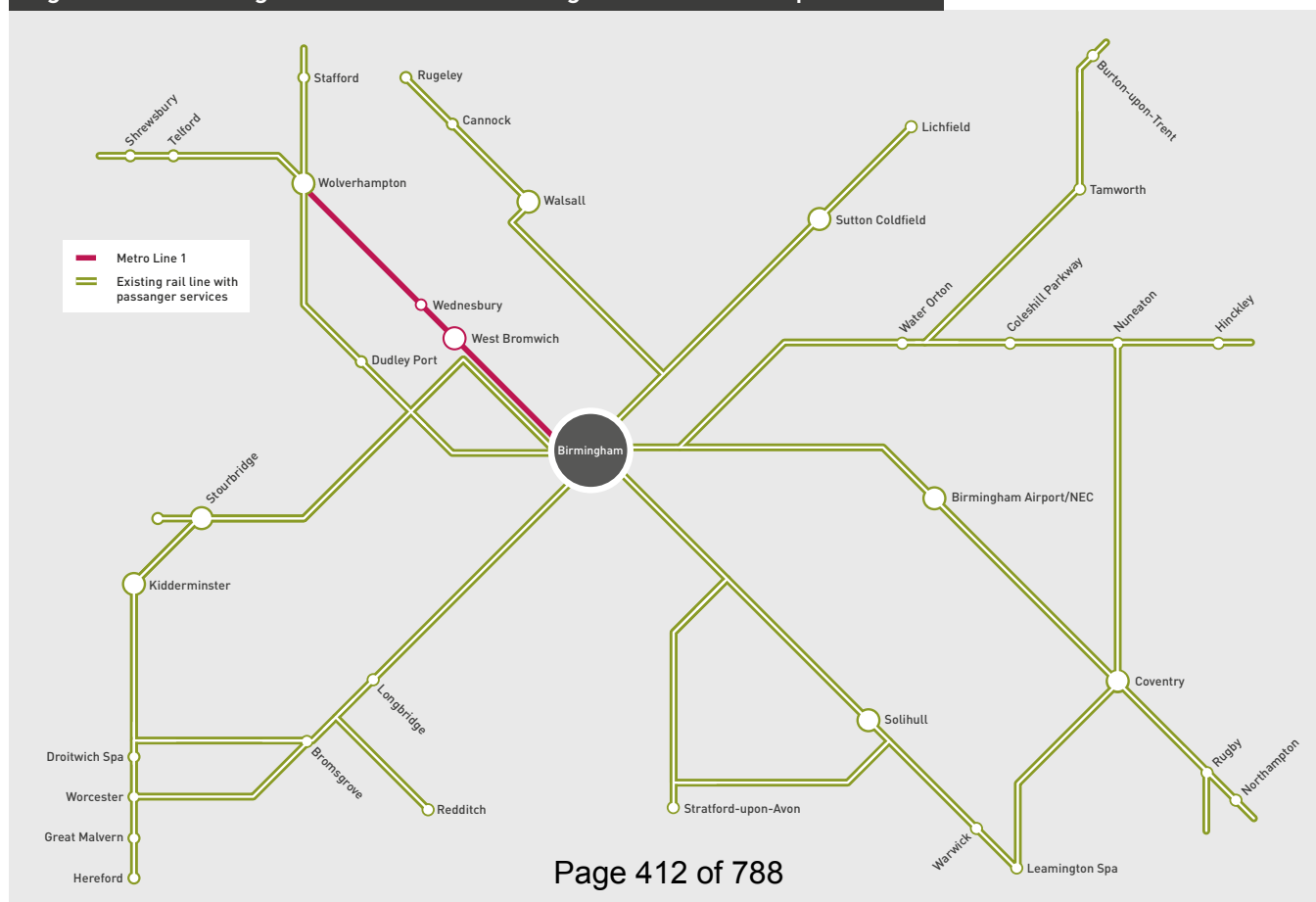


- 4.39** The SPRINT lines set out in figure 4.3 illustrate an aspirational network. When scheme development commences for each route the practicalities of design will be considered carefully to see if the SPRINT specification can be achieved for the individual route, or whether a high specification core bus route upgrade will be a better solution for that corridor.
- 4.40** The role of innovative technologies such as Monorail and Very Light rail will be explored for appropriate corridors. Very light rail could be a valuable interim solution for elements of longer term rail corridors. The Dudley Very Light Rail innovation centre and test track will be delivered so that it does not conflict with development of metro, tram-train and potential longer term rail in the Walsall – Stourbridge corridor.
- 4.41** Organisational changes around rail and bus will help delivery and operation of this affordable to use, integrated public transport system.
- 4.42** For rail, this is through 14 authorities working together in West Midlands Rail (WMR), to influence local rail franchising. The formation of West Midlands Rail will add weight to initiatives to increase rail service frequencies for early, evening and Sunday services and will support efforts to increase rail service frequencies across the 24 hour day to serve Birmingham International station for Birmingham Airport.
- 4.43** For bus, this is through; an effective delivery agent in the Combined Authority working closely with highway authorities; and by the Combined Authority seeking to ensure the best of the private and public sectors working together to deliver world class bus services. The new strategic bus alliance in the West Midlands provides a sound basis to make this aim a reality.

## Park and Ride

- 4.44** Expansion of existing park and ride sites and opening of new sites will be supported where there is a proven demand and business case integrated with the existing urban area parking supply. This will help increase access to the metropolitan rail and rapid transit network. Additional park and ride capacity will be in accord with more detailed delivery plans and will be mindful of planning and environmental criteria to ensure new capacity is located in appropriate locations. Additional park and ride capacity will be in the form of strategic, local and micro sites.

**Figure 4.2: Existing Rail Lines with Passenger Services & Rapid Transit**





### Figure 4.3: Metropolitan Rail and Rapid Transit Network Map

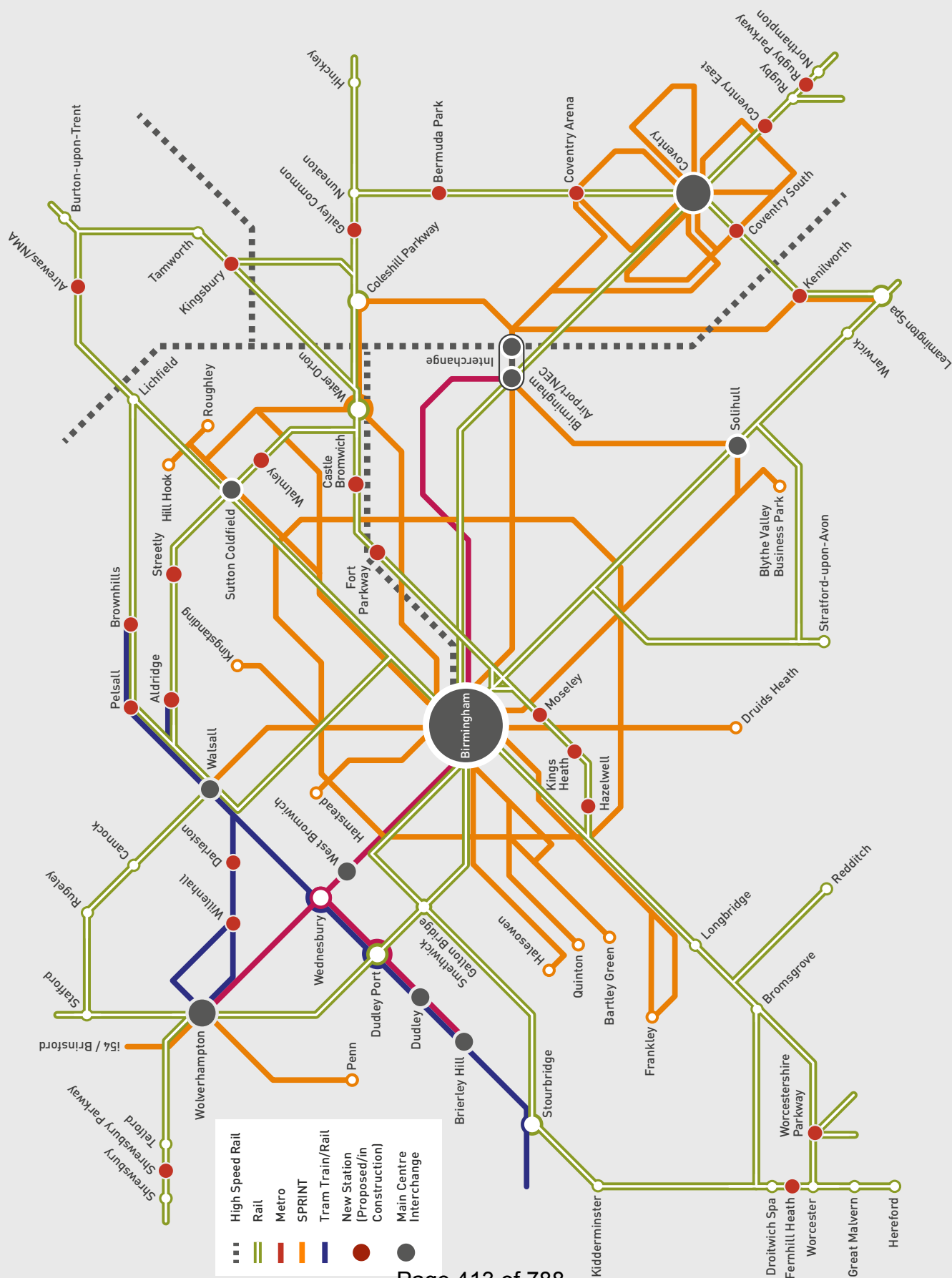
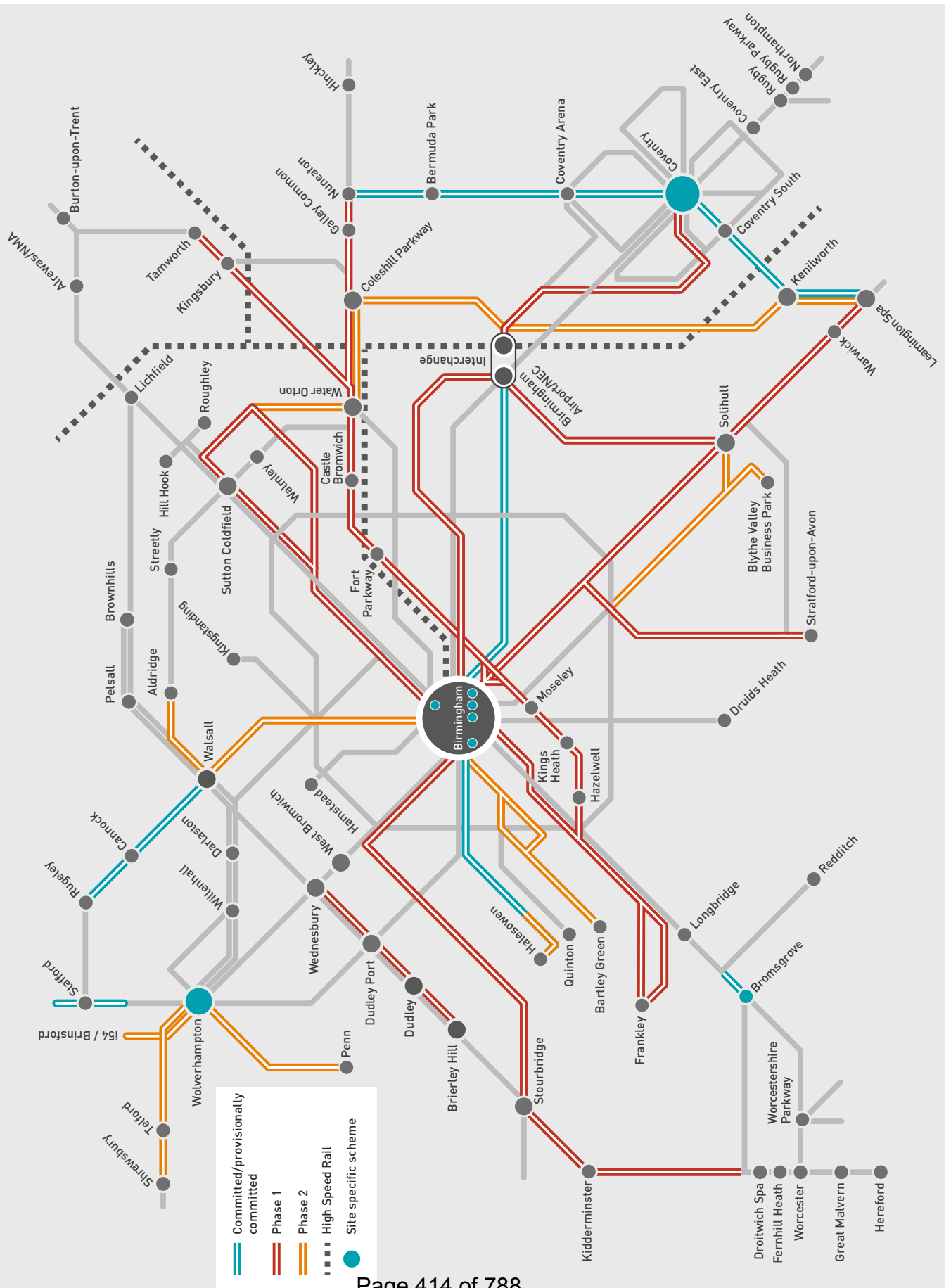


Figure 4.4: HS2 Connectivity Package



**4.45** The guiding philosophy for this network is to transform the ability of residents to get to a wide range of jobs and activities across the conurbation. This is expressed as every resident of the metropolitan area should be able to travel from their home and be able to get to a range of at least three main strategic centres, including the regional centre Birmingham, within 45 minutes in the AM peak. 45 minutes is an acceptable journey time to work in the West Midlands , based on evidence from the HS2 Growth Strategy.

**4.46** Residents will be able to do this by using high quality, reliable local bus services, largely based on a core turn up and go bus network, integrated with turn up and go frequency rail and rapid transit lines with hassle-free interchange and ticketing. This will transform the ability of people to access a wide range of job opportunities. Currently, 49% of the West Midlands population is able to reach at least three main centres within 45 minutes AM peak. Investment in rail, light rail, tram-train and SPRINT lines, alongside bus journey speed improvements, will greatly improve this. This will transform the accessibility of areas such as Dudley borough and Brierley Hill, north Wolverhampton, north Walsall, south-west Birmingham, north Solihull and east Coventry. This concept is shown in figure 4.5 below:

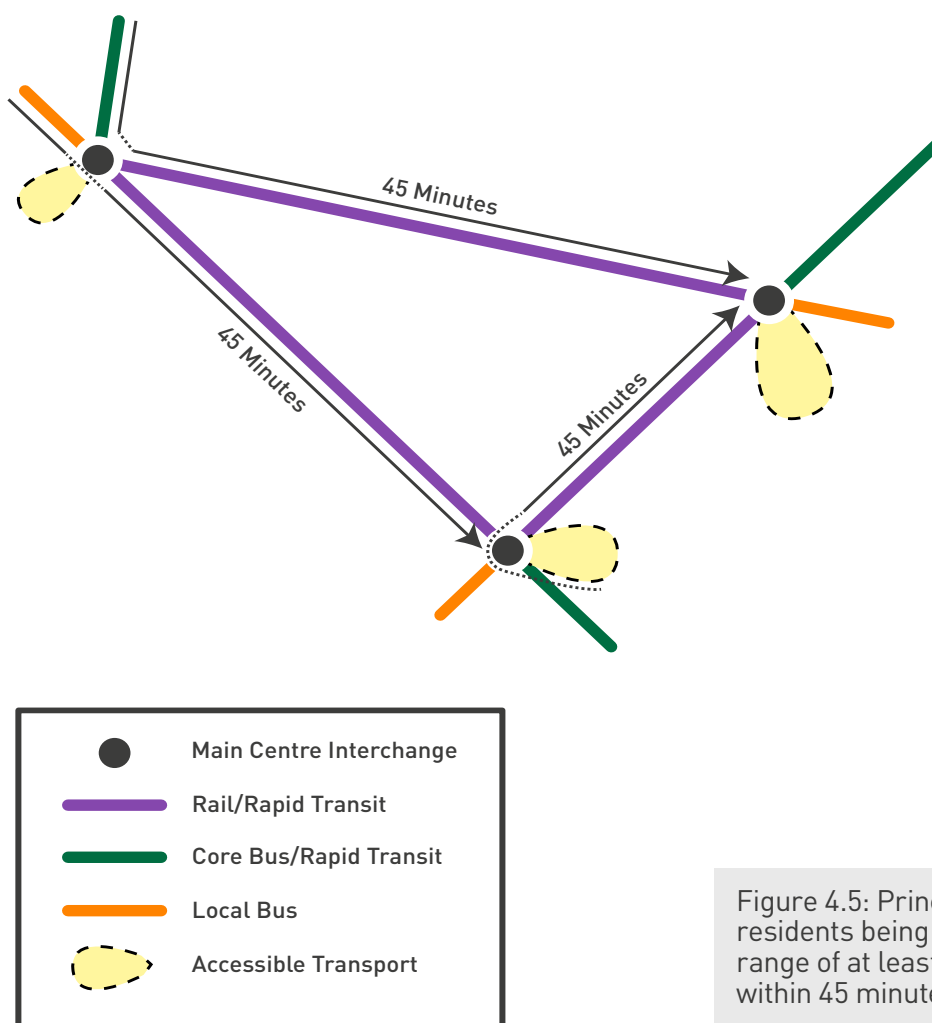


Figure 4.5: Principle of residents being able to get to a range of at least 3 main centres within 45 minutes AM peak

**4.47** Complimenting this vision for improved metropolitan connectivity is an aspiration for centres in the wider journey to work area to be within 45 minutes travel time to the regional centre Birmingham, by rail. Coventry also requires attractive rail travel times to centres in Warwickshire and the East Midlands.

**4.48** Alongside the critical role of this network to local people, the integrated public transport system has an important role to play in the visitor economy, helping move tourists and visitors around the West Midlands in sustainable ways.

## Metropolitan Main Road Network

- 4.49** In conjunction with the Metropolitan Rail and Rapid Transit Network, the Metropolitan Main Road Network ("Key Route Network") will serve the main strategic demand flows of people and freight across the metropolitan area, and provide connections to the national strategic road network. It will also serve large local flows which use main roads and will need to provide good access for businesses reliant on road based transport. Work on this network is progressing in the West Midlands Metropolitan Area as a "Key Route Network". This network will use highway capacity effectively to cater for movement by rapid transit and core bus routes, the Metropolitan Cycle Network, lorries, vans and private cars. This will involve the reallocation of roadspace where appropriate to provide reliable, fast high volume public transport and an enhanced role for UTMC, building on joint work in the West Midlands. In 2011 57 % of journeys to work by residents of the metropolitan area involved crossing a district boundary, giving weight to the need for a commonly agreed main road network to handle this movement more effectively.
- 4.50** The Key Route Network will be defined on the basis of a Combined Authority definition agreed with the seven highway authorities, in consultation with neighbouring highway authorities, and will have agreed performance specifications drawn up for different types of link in the network in accord with their role for movement ("link"), and their role as a destination in its own right eg a suburban/town centre high street ("place"). A careful balance between demands will be sought, based on the work done by Birmingham City Council as part of its Birmingham Connected transport strategy. Appropriate cycle provision is integral to this network, including effective junctions where cycle routes cross a main road. Close cooperation with Highways England and neighbouring Shire highway authorities will ensure that roads on the network which cross administrative boundaries will have "joined-up" planning.
- 4.51** Improvements by highway authorities to the network will be performed to meet the agreed performance specification for the links and junctions involved. These will take into account emerging thinking for delivery of enhanced public transport priority on key corridors to support road based rapid transit proposals for SPRINT and Metro.
- 4.52** An indicative map of the draft network is shown below in figure 4.6. Figure 4.7 shows committed/provisionally LGF committed schemes upto 2020/21. Most committed schemes focus on junction improvements to unlock economic development and tackle important pinchpoints.
- 4.53** As well as capital scheme improvements, it is vital that this network is managed efficiently through the collaborative operations of all highway authorities responsible for its provision. This will need to ensure that the highway authorities statutory duty is met of ensuring the safe, efficient and resilient operation of the overall highway network for all users.



Figure 4.6: Draft Metropolitan Main Road Network ("Key Route Network") Map

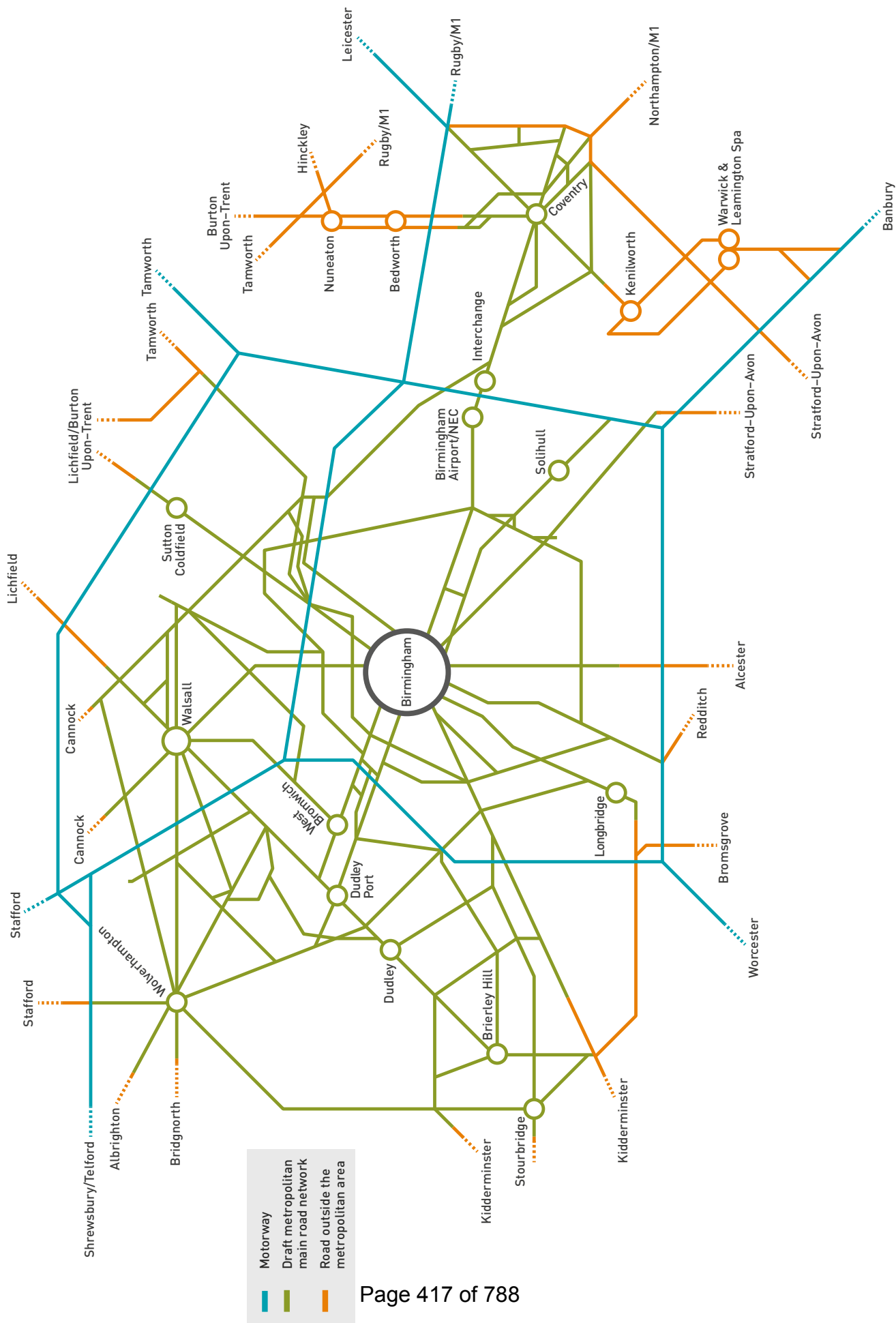
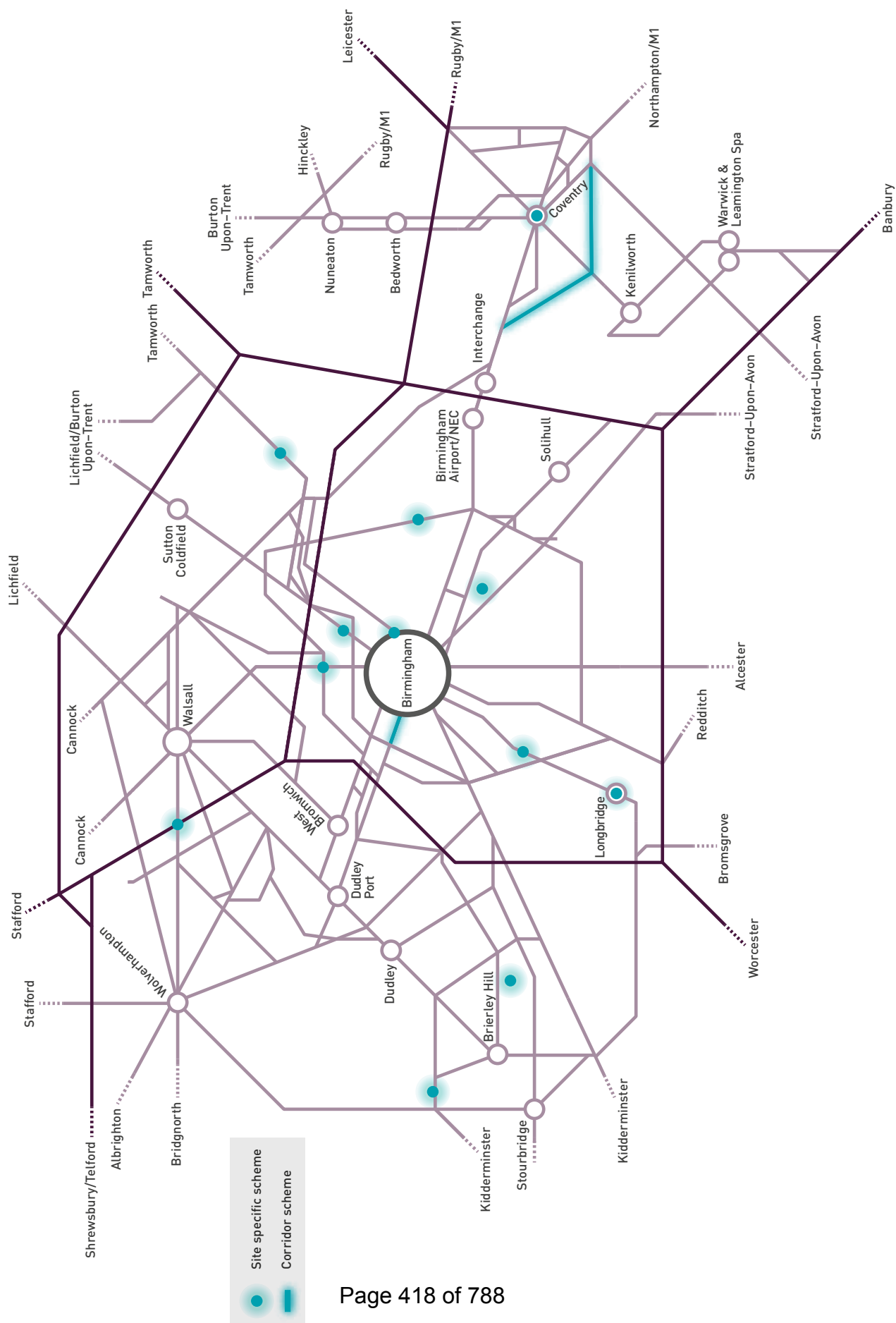




Figure 4.7: Committed/Provisionally Committed Local Growth Fund Schemes upto 2021



## Metropolitan Cycle Network

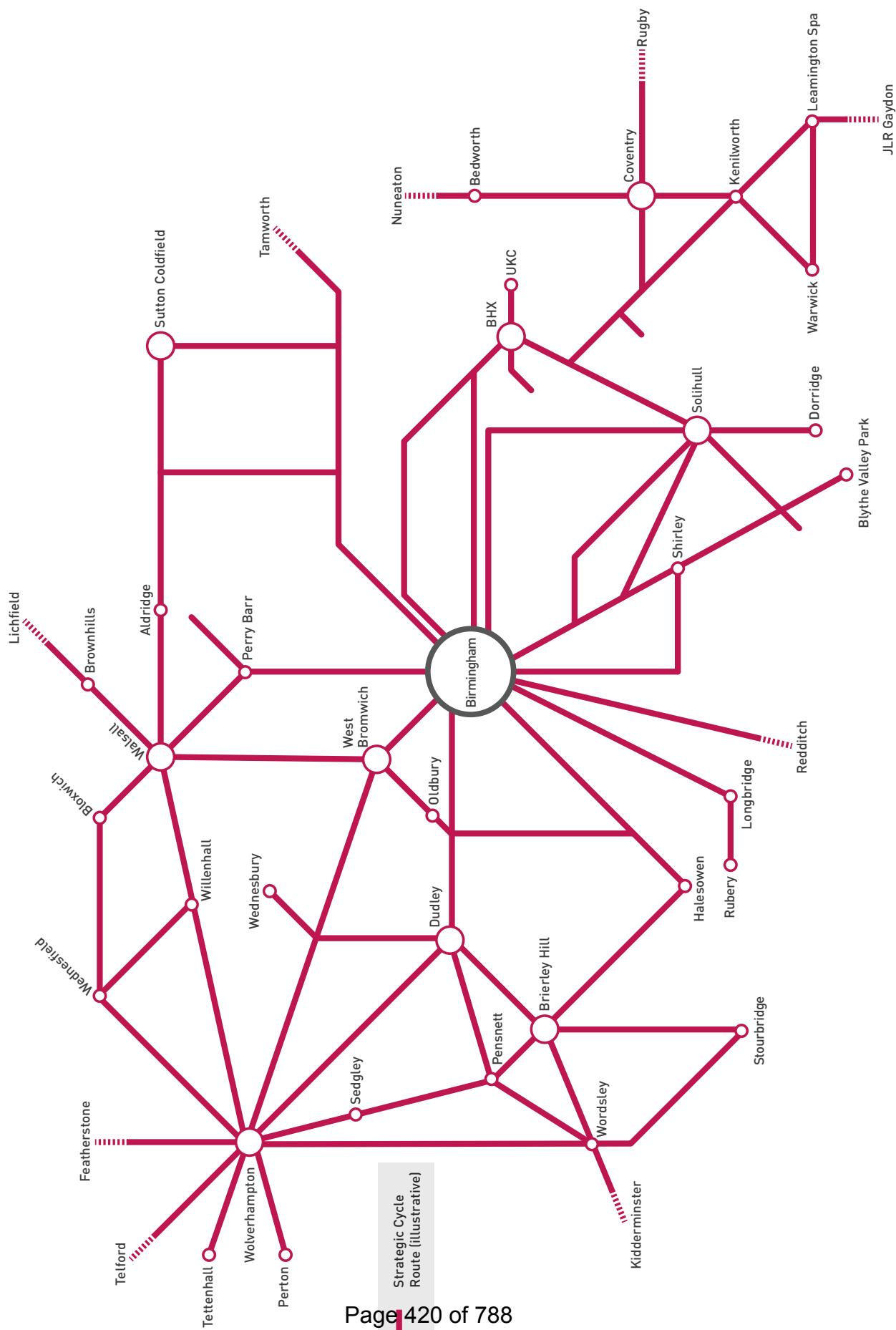
- 4.54** A new Metropolitan Cycle Network will be developed to serve main flow corridors and to raise the profile of cycling in the West Midlands. This network will be comprised of high quality core cycle routes supplemented by quietways using a combination of green corridors, well maintained canal towpaths and low traffic flow and speed streets. The Metropolitan Cycle Network will be integrated with local cycle networks across the West Midlands.
- 4.55** The strategic routes in this network will be designed in accordance with well- respected design guidelines such as the Welsh Government's Active Travel Design Guidance and will include a cycle route audit tool. The strategic routes will be designed to ensure cycle journey times on the routes are competitive to those on main roads and we will seek a peer review of our initial routes by internationally acclaimed Dutch or Danish colleagues. Implementation will be through work delivering the West Midlands Cycle Charter. An illustration of how the Metropolitan Cycle Network could look is shown in figure 4.8. As part of the agreed West Midlands Cycle Charter, the ITA and local authorities will make the economic case for investment in cycling in both local prioritisation of investment and delivery, and in securing funding from national and local partners.
- 4.56** A prioritisation process for the metropolitan area's infrastructure needs is currently being developed as part of work for a Combined Authority. This will lead to a definitive set of priorities for these metropolitan networks in line with an agreed prioritisation process. Pending this process, provisional key main transport priorities are shown in the box below:

### Key Transport Priorities for the Metropolitan Tier include:

- HS2 Connectivity Programme
- Metropolitan Main Road Network ("Key Route Network") Pinchpoint Junction Improvements
- Priority Links in the Metropolitan Cycle Network



Figure 4.8: Draft Metropolitan Cycle Network





## Local Tier

- 4.57** 38% of all journeys in the UK are under 2 miles. 41% of journeys under 2 miles in the West Midlands are by car. 67% of UK journeys are under 5 miles, of which 55% are by car. There is therefore great scope for a substantially increased role for walking, cycling and public transport to provide the West Midlands with sustainable, effective local accessibility.
- 4.58** The West Midlands will ensure that local journeys are targeted for transfer from car use to sustainable travel, particularly in congested conditions. This does, however recognise the vital role that car use has for people with disabilities where other modes are not a feasible alternative for travel. Smarter choice initiatives have an important role to play in the approach. Walking has a key role for journeys up to 1 mile whilst cycling is a viable choice for many people for journeys up to 5 miles. Improvements to cycle –public transport integration support longer journeys. These improvements include increased secure cycle parking at interchanges and park and ride sites, high quality local feeder cycle routes to rail stations, cycle-hubs, cycle hire schemes and the carriage of bikes on rail service. The experience of cities such as Dresden, which allows carriage of bikes without restriction on trams, will be considered further for Metro services.
- 4.59** The local tier is made up of all local highways, local cycle routes, footways/paths and local bus provision. Taxis and private hire vehicles also provide local accessibility for interchange and for direct local trips.
- 4.60** Canals play a significant role in the environment of the West Midlands; contributing to attractive suburban, district and main centres and have a role for local trips by providing a focus for regeneration and providing attractive walk and cycle routes on well maintained towpaths.
- 4.61** There is a need for this tier to bring the asset condition across the West Midlands to a decent modern standard for all highway and footway infrastructure, improve road safety and encourage walking and safer cycling in attractive local street environments and on comprehensive local cycle networks.
- 4.62** Area wide residential road 20 mph limits will be promoted to support these aims, building on the experience of implementation in the city of Birmingham and use of 20 mph zones in other Districts. International research on the reduced amount of changing gear and less fuel use will be considered fully for air quality and carbon emission impacts
- 4.63** Suburban and District Centres will be subject to environmental improvements to help create attractive and viable local centres with a high quality public realm and good community safety. The role of Green Travel Districts will be supported to realise these aims.
- 4.64** An important element of this will be a programme of Key Walking Routes in each District based on best practice.
- 4.65** The main features of Key Walking Routes are:
- |  |  |
|--|--|
| ● Widened and repaved footways                           | ● Seating                                    |
| ● New and improved pedestrian crossings                  | ● Removal of hiding spaces and blind corners |
| ● Improved accessibility through step-free access        | ● Signing                                    |
| ● Removal of obsolete signs, poles, columns and railings | ● Street lighting for pedestrians            |
| ● Trees and planting to green streets                    | ● Shared space                               |
- 4.66** Rights of Way Improvement Plans need to be updated every ten years and form an important element of promoting the role of walking in the West Midlands.

Figure 4.9: Core Bus Network Map



## Local Bus

- 4.67** Buses play a vital role in comprehensive public transport provision in the West Midlands. Local bus networks, and supporting accessible transport services, provide access to local suburban and district centres and to main centres, where superb interchanges will be provided for onward connections across the metropolitan area. They also ensure that doctor's surgeries, hospitals and other local amenities have decent public transport accessibility for sites not served by rail and rapid transit.
- 4.68** Accessible transport services include Ring and Ride and community transport services. Accessible transport will continue to perform an essential service for people who find it difficult to use conventional public transport due to ill health and/or a disability. It also has a role for serving demand from low demand areas and for specialised travel demand patterns from socially excluded groups.
- 4.69** Customer-focused improvements will be made to ensure local bus networks serve evolving travel demands and patterns with accessible, affordable, comfortable, safe and reliable services. High levels of customer care are essential for a decent bus service for the West Midlands.
- 4.70** The majority of bus journeys are made on a core, high frequency network which is shown in figure 4.9. Traffic management measures on the metropolitan main road network ("Key Route Network") and local roads will support the delivery of reliable bus services, with end to end average speeds of at least 16 km per hour in peak hours.
- 4.71** Whilst the metropolitan area is predominantly urban, there are rural areas with particular needs, such as the Rural East area of Solihull Borough. Here the local tier must improve cycle connectivity between villages, provide adequate public transport to meet lower population density demands, reduce the impact of traffic and speeds in villages and ensure there is sufficient capacity at rail station park and ride facilities.



## Powered Two Wheelers (PTWers)

**4.72** The benefits that use of motorcycles and mopeds have for our nine objectives are recognised. This is particularly related to where low emission PTWers can be used as a low cost means of travel for journeys to services, employment and education where other alternatives to the car aren't practical options. In efforts to ensure this contribution of powered two-wheelers, the West Midlands will work towards improving the safety of PTWers with activity to reduce speed related collisions, reduce right turning vehicle collisions, increase compliance with the rules of the road, increase the use of personal protective equipment by motorcyclists and improve motorcyclist skill and riding behaviour.

**4.73** These safety initiatives will supplement initiatives to facilitate motorcycling as a choice of travel within a safe and sustainable transport framework. These include provision of more, secure parking for PTWers, allowing PTWers in bus lanes, as is the case in Birmingham and London, and ensuring traffic management scheme design takes into account the requirements of PTWers. Measures to improve conditions for cycling need to be mindful of any potential adverse impacts on PTWers

### Key Transport Priorities for the Local Tier Include:

- Improved asset management of minor roads
- Local Cycle Network Development
- Key Walking Routes
- Area wide residential road 20 mph speed limits
- Smarter Choice Initiatives
- Local Bus Network Improvements

### Smart Mobility Tier

Smart Mobility is all about using technology effectively to provide better traffic management and related information on travel choices using an integrated range of options for travel using different types of transport. It is also about making vehicles safer and greener by working towards zero emissions from all vehicles. Smart mobility is characterised by:

- Understanding the needs, and ever changing demands and expectations of people and businesses over how they wish to get to what they want to get to;
- The exploitation of data;
- Making the most of advances in technology in areas such as the Internet of Things, sensors and autonomous systems;
- Transport networks operating freely and reliably at optimal capacity with seamless interchange;
- A vibrant commercial market that encourages business innovation and can learn from experience beyond the transport world; and
- Providing information which allows people to make informed decisions about their travel choices.

**4.75** Smart mobility is integral to making the most of the other three tiers of the transport system set out in this strategy. The West Midlands is well placed to be a world leader in innovation and research in this field, with its rich network of vehicle manufacturing and engineering with companies such as JLR, BMW and Horbia-MIRA and its internationally renowned universities. We will seek to maximise this role for the West Midlands and ensure that implementation of measures here closely follows this research, development and innovation. This is set out in the following vision for smart mobility:

“ The West Midlands will have an effective and well used intelligent mobility solution which supports integrated travel across all means of transport. People and businesses will be enabled and incentivised to make cost effective, informed and sustainable travel choices using ‘live’ travel information and seamless payment systems which span multiple modes.

We will work with others to ensure that developments in technology and innovation are encouraged and harnessed effectively to ensure the best practicable level of service can be provided.

We will have a coordinated approach to responding to the challenges of air quality targets through effective management of road traffic, innovation in vehicle and road infrastructure technology that supports efficient mobility”

**4.76** The following objectives are expected to be achieved in line with this vision:

- Increased availability and knowledge of viable travel choices with reduced dependency on car ownership;
- Sub 2 mile journeys by car should no longer feel necessary for many;
- Active lifestyles will be made more accessible;
- The network will operate more efficiently and effectively to optimise capacity with lower environmental impacts;
- Significantly reduced air quality impacts from transport, including reduced direct emissions from vehicles.
- Reducing the cost of travel
- In delivering these objectives the following principles will be fundamental;
  - Intelligent systems will be applied to provide relevant, personalised and incentivised information on available travel choices and
  - Open Data principles will be universally adopted to ensure the market can react, adapt and develop those tools through new business models.
  - Solutions we will offer will be accessible and meet key accessibility standards

**4.77** Smart payment systems, will build on the recent advances made with the West Midlands’ Pay as You Go Swiftcard for easy, hassle-free payment for travel and work towards creation of a personal mobility platform. This is part of wider detailed work being undertaken in the West Midlands to develop intelligent mobility and explore the concept of “Mobility as a Service”.

**4.78** The role of smart technology will be invaluable in reducing emissions from vehicles, particularly related to any introduction of Clean Air Zones in the West Midlands.:



**4.79** The ongoing importance of effective Urban Traffic Control linked traffic signals is an important element of the West Midlands smart mobility approach, ensuring traffic light signalling is responsive and coordinated to make best use of highway capacity.

**4.80** The potential of smart mobility for “the last mile” logistics delivery will also be fully explored so that cost effective delivery is in harmony with making best use of existing transport capacity and reducing transport emissions. This is in line with Birmingham City Council’s strategy for servicing and logistics of “the 4 R’s”: re-timing, remodelling, re-routing and reducing deliveries, related to Green Travel District development.

## Road Safety

**4.81** The future of road safety is also critical. The prospect of driverless vehicles brings great opportunities for new ways of mobility in the West Midlands, alongside issues to be addressed as part of a wider new road safety strategy. A fresh look at road safety will be performed in the West Midlands, on the basis of seeking a reduction of at least 40% in the number of killed and seriously injured road traffic accidents within ten years from a 2015 base, whilst increasing the amount of cycling and walking in the metropolitan area. This is in line with European Union targets for reducing road safety fatalities by half over a ten year period. This new road safety strategy will also consider ways to improve the safety of powered two-wheelers, child pedestrians, young drivers and communities most affected by road safety.

**4.82** The new road safety strategy will be mindful of current West Midlands forecasts of a 40% reduction in Killed and Serious Injury casualties by 2020 from a 2005-2009 average.

## Key Transport Priorities for the Smart Mobility Tier Include:

- Measures to improve traffic management
- Development of a Personal Mobility Platform that supports an integrated journey planning, navigation, and payment system across all modes
- A new road safety strategy.

## Supporting operational, revenue and policy measures

### Asset Management

**4.83** Effective asset management is essential to ensure all existing assets, and new assets being brought on-stream, remain fit for purpose, and resilient to the potential impacts of climate change.

**4.84** Properly funded, effective maintenance of highways, footways and structures underpins the whole transport system.

**4.85** A successful economy creates economic activity which will have impacts on our highway network which unless proactively managed will create delays as road works occur. The West Midlands have historically worked together successfully on highway maintenance, sharing best practice, deploying joint procurement and crucially working together to develop asset management plans.

**4.86** The strategic approach for asset management in the West Midlands is to ensure robust monitoring and assessment of our transport assets to allow effective and proactive asset management. This allows programme asset management to occur at the correct point to maximise the life of our assets in a cost effective way. Recognising wider policy issues, we will continually explore opportunities for lower carbon intensive materials, efficient procurement opportunities through joint frameworks and more effective ways of delivering schemes, minimising closures and diversions. All of these help increase efficiency and reduce costs and economic impacts of asset management.

**4.87** In 2015, the West Midlands was awarded £39.9m from the Government as a major contribution towards our Highway Network Renewal Programme which will mean by the end of the programme in 2021 we will have restored the majority of our main highways to a steady state of condition. This will allow the West Midlands to continue towards delivering effective and proactive asset management plans.

### Revenue based operations, supporting policies and parking policy

**4.88** To make best use of existing and new transport capacity requires effective enforcement of traffic regulations, including parking restrictions, bus lane enforcement and use of powers to enforce other moving traffic offences.

**4.89** There will need to be a more coordinated metropolitan parking strategy, led by the new Combined Authority. This will consider how parking pricing and provision can support the objectives of this transport strategy, mindful of the relationship with delivery of improvements to public transport, cycling and walking. It will also need to consider parking standards in new development in relation to levels of public transport accessibility and walking and cycling provision.

**4.90** The metropolitan parking strategy will need to balance the role of car access to centres to support economic vitality, whilst promoting the use of public transport cycling and walking. This is to ensure that private car volumes are not at such levels where the dominance of the car detracts from the quality of the environment of our centres.

### Smarter Choices

**4.91** Making best use of transport capacity also requires a supporting comprehensive set of smarter choice measures. Extensive workplace travel plan coverage in the metropolitan area is a cornerstone if this approach, based on the evidence of modal shift from car to public transport, cycling and walking, as part of the successful "Smart Network, Smarter Choices" programme.

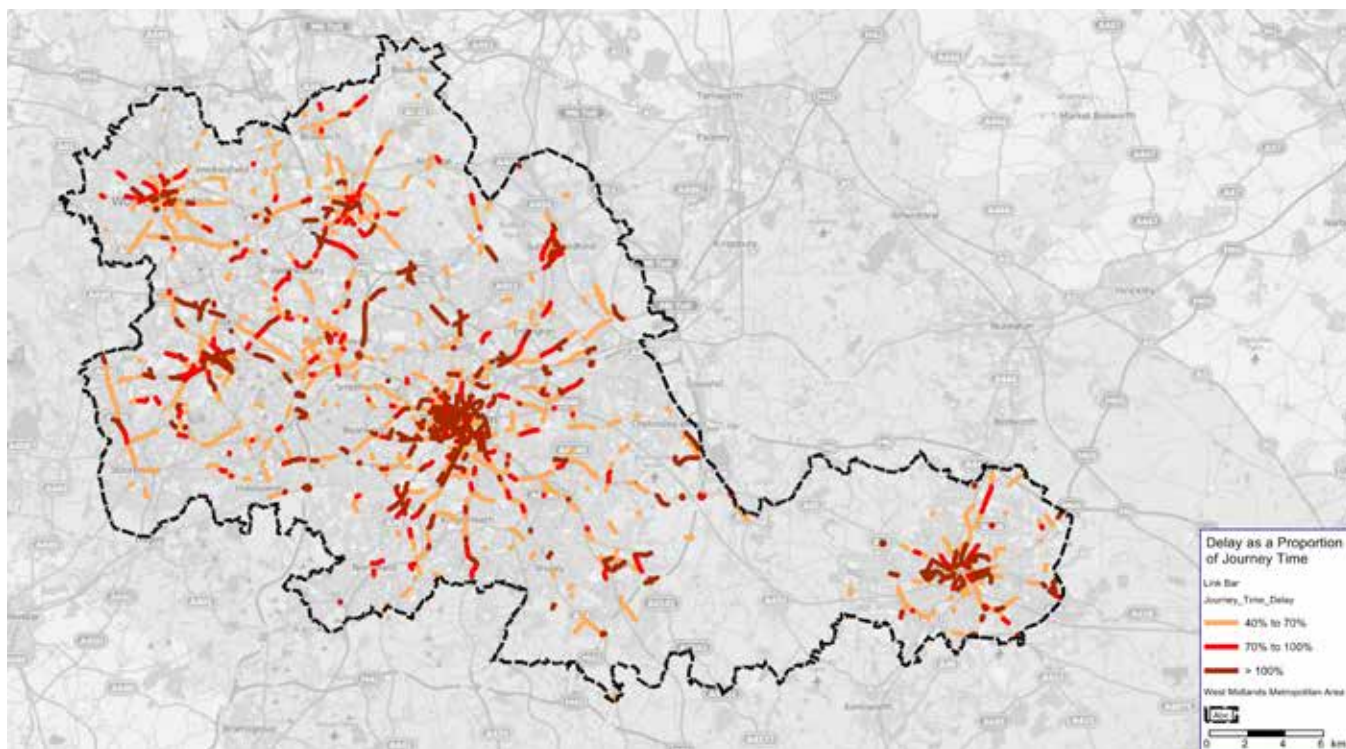
**4.92** Other smarter choice measures we will deploy include school travel plans, engagement with other educational establishments and healthcare sites, personalised travel planning, travel awareness campaigns, public transport marketing, a coordinated West Midlands approach to car clubs and car sharing schemes.



# Benefits Of Our Approach

**5.1** 1 Our approach is supported by evidence which shows that a “Business as Usual” strategy would lead to economic development being severely hindered with significantly worse congestion across the West Midlands. In addition, there would be serious air quality issues persisting from transport –derived nitrogen oxide pollutants, and continued carbon emissions at a rate exceeding that required for national obligations.

**5.2** Congestion forecast for 2031 with a “business as usual approach” is shown below in figure 4.10:



**5.3** A long term programme of schemes and measures in line with our strategy counters these trends and provides a positive future with an effective transport system. Using the conservative WebTAG approach to estimate wider economic benefits, the £1.6 bn HS2 Connectivity Programme alone gives an estimated annual GVA uplift of £240m. This approach does not factor in all economic benefits so the total scale of the benefits of this programme is much higher. The wider overall urban transport programme of the strategy will increase this figure significantly further.

## Delivery Of Our Approach – a ten year delivery plan

**6.1** This Strategic Transport Plan sets out the long term approach to guide a comprehensive set of transport improvements over a 20 year period. These transport improvements will be delivered by a number of organisations, through a number of programmes and packages.

### Developing a 10 Year Delivery Plan

**6.2** Transport investment will be need to be planned, developed and delivered across the West Midlands as part of an integrated package to address the economic social and environmental challenges faced. Delivery of schemes will need to be co-ordinated with investment programme of Highways England



and Network Rail in order to ensure a co-ordinated approach which maximises outcomes and minimises disruption during construction. Building a robust evidence base is the first step in addressing these challenges. Significant work has been undertaken on developing this evidence base by the Strategic Transport Plan and has been supported through the use of the Policy Responsive Integrated Strategy Model (PRISM). This has been used to determine where transport interventions are now and where they will need to be in the future as a consequence of growth and changing travel patterns. Using this evidence base, high level priorities across the four tiers of the transport system have been identified.

**6.3** The 10 Year Delivery Plan (10YDP) will take the high level priorities and provide detail on the key transport interventions required across the Metropolitan Area. The plan will build on the initial strategy-led work from the Strategic Transport Plan and set out the transport schemes and programmes required for the four tiers up to 2026. There is already a foundation for developing the 10YDP through existing work on the HS2 Connectivity Package, LEP pipeline schemes, the Combined Authority infrastructure workstream and the emerging technical workstreams for Midlands Connect. The development of the 10YDP will draw on the following information and processes to ensure the provision of a robust and realistic delivery plan:

### Development

- Scheme details
- Transport planning analysis
- Schedule development
- Prioritisation framework
- Economic impact analysis

### Implementation

- Statutory processes and permissions
- Construction timescales
- Delivery mechanism
- Risk analysis

### Resources

- Funding analysis
- Resource availability

**6.4** Using the information above, the 10YDP will show the phasing and scheduling of transport schemes commencing from 2016. The 10YDP will take a balanced view recognising that although there is a need to deliver transport schemes that respond to economic priorities in the short term, there is also a need to consider the future transport needs and the economic performance of the Metropolitan Area in the future.

**6.5** A key driver to the 10YDP will be the availability of funding. The proposed West Midlands Combined Authority Devolution Agreement sets out a transformational level of investment over the next ten years and is considered in Section 7.

### Next Steps

**6.6** Work is progressing on developing the 10YDP in conjunction with West Midlands Local Authorities, Centro and the Local Enterprise Partnerships and will continue to evolve alongside the formation of the West Midlands Combined Authority. The 10YDP will be finalised in 2016 and will form a key part of the West Midlands Combined Authority's transport workplan.



# How We Will Fund Our Approach

**7.1** Achieving the economic, environmental and social benefits of our approach requires a long term local transport infrastructure programme with supporting revenue based packages. An indicative, twenty year capital programme assembled with Districts and Centro will cost in the order of £5bn. When this is combined with ongoing minor works and maintenance/asset management programmes, including those for structures, the total capital sum required to achieve our vision is in the order of £6.5 bn. This broadly equates to an average of £330m per annum for twenty years.

**7.2** Major local transport schemes are largely currently funded from Local Growth Deals for Local Enterprise Partnerships (LEPs). The 3 LEPs covering the metropolitan area were successful in their following local growth deal settlements in 2014 for funding to boost economic development, including transport projects. This funding is upto 2020/21:

- Greater Birmingham & Solihull LEP - £357million
- Black Country LEP - £138million
- Coventry & Warwickshire LEP - £74million

**7.3** A further sum of £61m of Local Growth Fund was added to these awards to the 3 LEPs in 2015.

**7.4** The proposed West Midlands Combined Authority Devolution Agreement sets out £5bn of transport investment over ten years as part of an overall £8bn ten year Combined Authority Investment Plan. This proposed agreement covers a new £36.5m per year revenue stream for 30 years from the Government, which the West Midlands can borrow against for up-front investment. This is part of a new overall investment plan for the Combined Authority which will also include existing committed capital investment, devolved funding streams, including those for local transport, private sector investment, and locally generated funds. These locally generated funds will include, for example, business rate retention, expanded and new enterprise zones and prudential borrowing. It also includes £97m of Government funding of the metro extension in central Birmingham to Adderley Street.

- 7.5** Other sources of funding will need to include Network Rail, in line with the West Midlands and Chilterns Route Study and Midlands Connect initiatives. This will be critical in developing suburban rail elements of our long term rail and rapid transit network. Highways England Strategic Highway Network programmes will also need national investment.
- 7.6** Recognising the benefits of the long term programme for European Union policy, funding will be sought from European Union funding streams related to sustainable urban mobility.
- 7.7** The step change in investment, as set out in the proposed Devolution Agreement, will see increases in year on year expenditure as momentum gathers; committed schemes are delivered to time and budget; and incremental delivery provides tangible evidence of real progress on the ground.

## How We'll Know We've Succeeded

- 8.1** Progress will be measured to gauge how well we are doing against the vision of an effective, sustainable transport system supporting economic development and a decent quality of life for all.
- 8.2** A monitoring framework will be devised with established baseline figures to measure:
- Scheme delivery, to time and to budget
  - Changes of the performance of the transport system arising from these schemes, eg reliability of freight vehicles on key links, bus route reliability, bus and rapid transit average AM peak speeds, asset condition and public transport accessibility to destinations within 45 minutes.
  - Changes to perceptions and usage arising from these changes – mode share by mode for all journeys and for journeys to main centres, volumes of journeys by mode and customer satisfaction by mode.
  - Changes to outcomes related to transport improvements – general GVA and jobs monitoring, transport emissions of oxides of nitrogen, carbon emissions from transport, number and severity of road traffic accidents, and reductions in transport poverty and exclusion.
- 8.3** The full list of proposed indicators is contained in appendix 2. Our long term strategy will see a shift in emphasis of travel in line with prosperous large European city regions where car use accounts for typically 35 to 45% of all journeys, compared to 63% in the West Midlands Metropolitan Area. Our Cycle Charter sets a specific target of 10% of all journeys to be made by bike in the West Midlands Metropolitan Area by 2033, from a baseline of 1%.
- 8.4** Monitoring will be used to influence future strategy and plans and benchmark the West Midlands Metropolitan Area against its global competitors.

## Concluding Remarks

- 9.1** The West Midlands has set out a new vision and coherent long term approach to fund and deliver a transport system to achieve this vision. Large schemes and attention to detail of smaller scale aspects are both vital in delivering this vision.
- 9.2** This transport system is a means to the noble end of helping create a wealthier, happier, cleaner and safer West Midlands Metropolitan Area: it is now time for its delivery.

# Appendix One: Policies to Meet the Objectives

## Economic Growth and Economic Inclusion

Policy 1 To accommodate increased travel demand by existing transport capacity and new sustainable transport capacity;

Policy 2 To use existing transport capacity more effectively to provide greater reliability and average speed for the movement of people and goods;

Policy 3 To maintain existing transport capacity more effectively to provide greater resilience and greater reliability for the movement of people and goods.

Policy 4 To improve connections to new economic development locations to help them flourish, primarily through sustainable transport connections

Policy 5 To help make economic centres attractive places where people wish to be;

Policy 6 To improve connections to areas of deprivation; and

Policy 7 To ensure the affordability of public transport for people accessing skills and entering employment.

## Population Growth and Housing Development

Policy 8 To improve connections to new housing development locations to help them flourish, primarily through sustainable transport connections.

## Environment

Policy 9 To significantly improve the quality of the natural and historic environment and create attractive local environments ; and

Policy10 To help tackle climate change by ensuring a large decrease in greenhouse gases from the West Midlands Metropolitan Area's transport system

## Public Health

Policy 11 To significantly increase the amount of active travel in the West Midlands Metropolitan Area;

Policy 12 To significantly reduce road traffic casualty numbers and severity; and.

Policy 13 To assist with the reduction of health inequalities in the West Midlands Metropolitan Area.

## Social Well-Being

Policy 14 To increase the accessibility of shops, services and other desired destinations for socially excluded people; and

Policy 15 TTo ensure the affordability of public transport for socially excluded people through concessionary travel schemes for groups such as elderly people and disabled people.

# Appendix Two: Proposed Monitoring Indicators

A performance monitoring process with annual progress reports will be established, based on the following monitoring indicators and a baseline data set

## Performance of the Transport System

- P1 Journey time reliability for goods vehicles on the metropolitan main road ("Key Route") network;
- P2 Reliability of bus services operating between 1 minute early and 5 minutes late on the metropolitan main road ("Key Route") network;
- P4 Average commercial speed of key bus services AM Peak on the metropolitan main road ("Key Route") network;
- P5 Percentage of residents of the Metropolitan Area with 3 or more strategic centres in the Metropolitan Area, including Birmingham city centre, accessible by public transport within 45 minutes travel time in the am peak;
- P6 AM peak journey speeds on the metropolitan main road ("Key Route" ) network;
- P7 AM peak total delay time (AM Peak journey time compared to free flow journey time) on the metropolitan main road ("Key Route") network; and
- P8 Condition of metropolitan main road ("Key Route") network roads

## Customer Satisfaction, Travel Demand and Modal Share

- C1 Overall Customer Satisfaction with Bus Services;
- C2 Overall Customer Satisfaction with SPRINT services;
- C3 Overall Customer Satisfaction with Metro services;
- C4 Overall Customer Satisfaction with Rail services;
- C5 Overall Customer Satisfaction with travel by bike;
- C6 Overall Customer Satisfaction with travel by foot;
- C7 Overall Customer Satisfaction with travel by car;
- C8 Overall Customer Satisfaction with travel by powered two wheelers;
- C9 Car ownership per 1000 population;
- C10 Number of journeys by public transport per person per annum;
- C11 Modal share of all journeys : public transport , cycling ,walking, car, other. Cycle Charter Target of an increase in cycle mode share to 5% all trips by 2023 and 10% of all trips by 2033;
- C12 Mode share of am peak journeys to the strategic centres; and
- C13 Mode share of journeys to work, including home working.

## **Economic, Housing, Environmental , Public Health and Social Outcomes/General Monitoring**

E1 GVA per person , metropolitan area;

E2 Unemployment rate, metropolitan area;

E3 Number of new dwellings built per annum, metropolitan area;

E4 Nitrogen dioxide levels in Air Quality Management Areas;

E5 CO2 emissions per person from transport per annum;

E6 Number of Killed and Seriously Injured Casualties;

E7 Killed and Seriously Injured Casualty Rate by mode per 100,000 km travelled;

E8 Number of recorded crime incidents on public transport; and

E9 Life Expectancy Inequality between the most and least deprived areas of the West Midlands Metropolitan Area.

In addition to these, a number of further performance indicators to be reported every three years are proposed , in light of the Strategic Environmental Assessment:

1. Amount of new habitat creation/enhanced as part of transport schemes;
2. Amount of high value ecological or geological land lost as a result of transport infrastructure;
3. Number of green infrastructure developments approved/created as part of transport schemes;
4. Quantity of priority habitat receiving further fragmentation or isolation from new transport schemes;
5. Soils Area of ALC BMV land lost as a direct and indirect result of new transportation schemes;
6. Number of designated and non-designated heritage assets harmed by transport schemes/policies , including their impacts on settings;
7. Area of historic landscape characterization type which have changed as a result of the strategic transport plan;
8. Number of SuDS schemes delivered in transport schemes; and
9. Number of major water quality incidents from transport reported to the Environment Agency (annual monitoring).

# Appendix 3: Transport Development Principles

In light of the Strategic Environmental Assessment of the draft strategic transport plan, a set of transport development principles has been devised, to guide future transport planning and development to help provide environmental protection and enhancement through transport delivery. These transport development principles are shown below and will need to be considered as transport schemes are progressed:

Transport strategies and schemes should seek to:

- reduce noise nuisance from the transport network;
- incorporate SuDS into transport schemes;
- use high quality, durable materials such as permeable paving, materials with recycled content;
- maximise opportunities for green infrastructure and habitat creation/enhancement including creation of urban gardens, tree planting, use of bat and bird nest boxes, and links to other green networks;
- reduce run-off rates back to greenfield rates;
- schedule maintenance activities during off-peak periods;
- protect the natural and historic environment including heritage, designated and local wildlife sites, protected species, landscape, water quality, soil quality, and air quality;
- provide opportunities for increased access to heritage assets and the natural environment;
- record and preserve archaeological finds;
- “future proof” infrastructure in response to the unavoidable effects of climate change;
- use low carbon infrastructure and technologies;
- reduce transport emissions through utilising capacity of existing assets and improving public transport;
- maximise use of sustainable transport modes rather than private car;
- re-use or recycle excavated and waste materials;
- maximise use of brownfield land and bioremediation;
- avoid increasing flood risk and contribute to flood defences as appropriate;
- maximise opportunities to provide an attractive and safe environment through measures such as routing cycle and footpaths through attractive green areas or by watercourses; and
- respect and seek to enhance the character, and local distinctiveness of urban and rural areas.



# Appendix 4: Glossary

The following pages contain definitions and explanations of various words, phrases and acronyms used in the Strategic Transport Plan

## **Air Quality Action Plan**

An Action Plan drawn up by the relevant local authority to deal with poor air quality in an AQMA.

## **Air Quality Management Area (AQMA)**

An area, designated by the relevant local authority, within which national standards for at least one of a number of pollutants, including NO<sub>2</sub> gaseous and PM<sub>10</sub> particulate emissions, are currently exceeded or are forecast to be exceeded in the foreseeable future. Declaration leads to the development and adoption of an Air Quality Action Plan.

## **Benefit Cost Ratio (BCR)**

An indicator used as part of the business case for transport schemes. The benefits are derived using monetarised values from the Department for Transport's WEB tag transport appraisal guidance.

## **Benchmarking**

The use of performance indicators and other metrics to compare one authority's performance to another, especially in groups of authorities with similar characteristics (profiles).

## **Bus Rapid Transit (BRT)**

Bus Rapid Transit is an approach to bus provision based on emulating the characteristics of successful urban rail services: higher service speeds, extensive priority measures, high frequency, less frequent stopping, stops more like tram stops, off-board ticketing and new-look vehicles. The West Midlands BRT network is known as SPRINT.

## **Capital Expenditure (Cap Ex)**

In the context of this plan, Cap Ex covers expenditure on new roads, railways, Midland Metro, SPRINT as well as asset management expenditure.

## **Cabinet**

A way of running local authorities based on the Westminster model of cabinet government. Specific councillors take responsibility for a portfolio of local authority services and/or duties, for example - environment and/or transport. The portfolio holders make up the authority's cabinet.

## **Carbon Footprint**

A carbon footprint is a measure of the total greenhouse gas emissions caused directly and indirectly by a person, organisation, event or product. It takes into account the six „Kyoto Protocol greenhouse gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. A carbon footprint is measured in tonnes of carbon dioxide (CO<sub>2</sub>) equivalent. The transport sector accounts for around a quarter of all CO<sub>2</sub> emissions, not including emissions from international aviation and shipping.

## **Centro PTE**

Centro is the Passenger Transport Executive for the West Midlands and undertakes the delivery of public transport schemes and initiatives on behalf of the ITA.



## **Chord**

A term used by the railway industry to describe a section of railway line that makes a junction with two other lines, often grade separated.

## **Civil Parking Enforcement**

A statutory arrangement that transfers the enforcement of parking offences, including waiting on 'yellow lines' and in contravention of loading restrictions, from the police to the local highway authority.

## **C02**

Carbon dioxide. A product of burning fossil fuels and, thus, a motorised transport-related pollutant that is important with regard to climate change. Also see: Carbon Footprint (above).

## **Combined Authority**

A combined authority is a type of local government institution introduced in England outside Greater London by the Local Democracy, Economic Development and Construction Act 2009.

## **Control Period**

This is a term, used by Network Rail, to put a timescale to their investment plans. Control Period 5 covers 2014/15 until 2018/19. Further Control Periods are planned for five year periods thereafter.

## **Demand Responsive Transport (DRT)**

This is a bus or, more often, a minibus service that varies its route in response to pre-arranged customer demands. WMSNT's Ring and Ride service is an example.

## **Department for Communities & Local Government (DCLG)**

DCLG is the Government department responsible for building regulations, community cohesion, decentralisation, fire services and community resilience, housing, local government, planning, and urban regeneration

## **Department for Transport (DfT)**

The Government department responsible for national transport issues and managing most finance for local transport expenditure.

## **Equality Act**

The Equality Act 2010 brought together and replaced previous equality legislation such as the Disability Discrimination Act 1995 (DDA). The Act protects people from discrimination on the grounds covered by previous equality laws. The Act requires public bodies to promote equality of opportunity for the nine different protected characteristics and make reasonable adjustments for disabled people to ensure they can access services and facilities. It also allows the Government to set minimum standards so that disabled people can use public transport easily.

## **EU**

The European Union

## **FQP**

Freight Quality Partnership. A partnership between the Metropolitan Authorities, commercial freight operators and other interested organisations, to promote efficient and effective distribution of freight movement in the Metropolitan Area.

## **FTA**

The Freight Transport Association is a trade association representing the transport interests of companies moving goods by road, rail, sea and air.

## **Gross Value Added (GVA)**

GVA is an economic measure of the value of goods and services produced in an area, industry or sector. It is an important measure in the estimation of the national Gross Domestic Product (GDP) which is a key indicator of the state of the whole economy. Briefly, the relationship between GVA and GP can be expressed thus:  $GVA + \text{taxes on products} - \text{subsidies on products} = GDP$

## **Heavy Goods Vehicle (HGV)**

A vehicle constructed or adapted to haul or carry goods that result in a gross total weight exceeding 7.5 tonnes.

## **Heavy Rail**

A term used for the conventional railway system to distinguish it from light rail or tram systems. The heavy rail system is operated by Network Rail and serves inter-urban and local passenger needs and carries freight traffic.

## **High Level Output Specification (HLOS)**

This sets out what level of railway services the Government wished the rail industry to deliver over a defined period.

## **Highways England (HE)**

The organisation responsible for operating a safe, reliable and efficient motorway and trunk road network across England. The HE network in or around the West Midlands Metropolitan Area comprises the M54, M5, M6, M40, M69 and M42 motorways as well as the A5, A46 and A38 trunk roads.

## **HS2**

High Speed Two (HS2) is the name of the high-speed railway line between London and the West Midlands, as a first phase, with subsequent extensions to Manchester and the Northwest and to Leeds via the East Midlands. The West Midlands will have Curzon Street station in Birmingham city centre and Birmingham Interchange Station adjacent to Birmingham Airport/ NEC. Full construction will commence from 2017.

## **Integrated Transport Authority (ITA)**

The West Midlands ITA comprises the 7 Metropolitan Local Authority Leaders and the metropolitan LEAs. The ITA sets transport policy and strategy for the metropolitan area.

## **ITA's Transport Delivery Committee (TDC)**

Comprises 19 Local Authority Members who oversee the deliver and operation of Centro on behalf of the ITA. The ITA has delegated selected responsibilities to the TDC.

## **Integrated Transport Block**

This is the funding allocated by Government for minor capital transport schemes costing less than £5 million (each).

## **Intelligent Mobility**

The use of technology, data and innovative applications to support people moving around our area in an efficient, smart and safe manner in order to maximise our transport networks. This covers all modes and trip types.

## **Local Highway Authority**

The county, unitary or metropolitan borough council responsible for all highway operation and assets in their area that are not the responsibility of Highways England.

## **Local Enterprise Partnerships (LEPs)**

The West Midlands metropolitan area has three LEPs: Black Country, Greater Birmingham & Solihull and; Coventry & Warwickshire. Their focus is on driving economic growth and strengthening local economies. They are responsible for Growth Strategies and Strategic Economic Plans.

## **Local Planning Authority**

The district or unitary council that receives applications for planning permission for development and grants or refuses them. They also produce development plans that are designed to guide the development process. In the Metropolitan Area, planning is a function of the Metropolitan Borough Councils.

## **Local Sustainable Transport Fund (LSTF)**

The West Midlands has a £50M LSTF programme known as Smart Network, Smarter Choices. The programme focuses on transport interventions that support economic growth and reduce carbon across the West Midlands as well as delivering cleaner environments and improved air quality, enhanced safety and reduced congestion.

## **M6 Toll**

The M6 Toll is a 27-mile motorway and is owned by Midland Expressway Ltd

## **Major Schemes**

Capital projects that cost in excess of £5 million. Since 2014 they are funded through the Local Growth Fund and programme managed by the relevant LEP who also monitor the schemes and delivery.

## **Metropolitan Area**

This phrase is used throughout the LTP to describe the combined area of the seven Metropolitan Authorities of Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. It is also the administrative area covered by the West Midlands ITA and Centro PTE.

## **MSBC**

Major Scheme Business Case. This sets out the costs and benefits of the proposal and is required, by the DfT, to justify the need for Major Scheme funding.

## NEC

The National Exhibition Centre, which is located adjacent to Birmingham Airport and the M42 motorway.

## Network Management Duty

This is a duty, arising from the Traffic Management Act, 2004, requiring local highway authorities to designate a Traffic Manager whose task it is to manage the authority's road network with a view to achieving, so far as may be reasonably practicable, having regard to their other obligations, policies and objectives, the following objectives:

- a. Securing the expeditious movement of traffic on the authority's road network; and
- b. Facilitating the expeditious movement of traffic on road networks for which another authority is the traffic authority.

Actions to fulfil this duty include, in particular, actions to secure:

- i. The more efficient use of their road network; or
- ii. The avoidance, elimination or reduction of road congestion or other disruption to the movement of traffic on their road network or a road network for which another authority is the traffic authority;

In this context, 'traffic' includes pedestrians.

## Network Rail

This not-for-profit making company who own the UK's track and railway infrastructure and are responsible for the operation and maintenance of track, signalling and a limited number of major stations including Birmingham New Street Station.

## Network West Midlands

Network West Midlands is the single brand name for all local public transport services in the Metropolitan Area, providing a single identity for the complete network of bus, rail and Metro services. The branding is used at some railway stations in the Metropolitan Areas Travel-to-Work Area.

## N02

Nitrogen Dioxide, a gaseous pollutant caused by motor vehicles.

## ORRR

The Office of Rail and Road Regulation: the independent safety and economic regulator for Britain's railways and strategic highways.

## P&R

Park & Ride. A facility providing parking for cars, powered two-wheelers and cycles that provides easy interchange on to a public transport service.

## Personal Mobility Platform

This covers functions such as digital information and integrated ticketless travel across all types of public transport, car sharing, cycling, powered two-wheelers, electric cars and private hire vehicles. Through a comprehensive range of hardware and software measures a mobility platform will integrate all travel products, services and data across the internet, mobile and television to enable people to make informed travel choices.

## **PM10 and PM2.5**

Particulates less than ten or 2.5 microns in size respectively, being different measures of gaseous-borne pollutants caused by motor vehicles, most often associated with diesel-engine vehicles.

## **Powered Two-Wheeler (P2W)**

Includes motorised cycles, scooters, mopeds and motorcycles.

## **Principal Roads**

A network of all-purpose roads, which complement the trunk road network. They are the 'A' class roads for which the local highway authority is responsible.

## **PRISM**

The Policy Responsive Integrated Strategy Model is the strategic transport model that helps inform transport policy and related decisions in the Metropolitan Area.

## **Private Hire Vehicle (PHV)**

A PHV is a vehicle with less than eight seats licensed by the Metropolitan Borough Council for the area within which it operates. It is not a taxi (hackney carriage). PHVs are only allowed to carry passengers with pre-arranged bookings; they are not allowed to ply for hire (i.e. be hailed on-street), nor to wait on designated taxi ranks.

## **Rapid Transit**

A general term for a high capacity, fast type of public transport. Types of rapid transit are suburban rail, underground/subway metro, light rail, tram-train, Bus Rapid Transit and Very Light Rail.

## **Ring and Ride**

This is a dial-a-ride, door-to-door transport service for residents of the Metropolitan Area who have a mobility problem that makes it difficult or impossible to use conventional public transport. The service covers the whole the Metropolitan Area, divided into three operating areas, with ordinary journeys possible up to half-a-mile into an adjoining area. A limited service for longer 'cross-boundary' journeys is available by special arrangement.

## **Roads Investment Strategy**

The Government's long term strategy for the motorway and trunk road network across England which outlines objectives, targets and network investment.

## **Roads Period**

The spending programme period in which schemes are developed and delivered by Highways England on behalf of the Government. Each Roads Period will last 5 years and will look to meet the targets and objectives of the Roads Investment Strategy.

## **Safer Travel Team**

A team of Police and Community Support Officers set up to tackle anti-social behaviour on buses in the Metropolitan Area. They work in partnership with the bus operators and also help tackle fare evasion.

## **SCOOT**

Split Cycle Offset Optimisation Technique is a tool for managing and controlling traffic signals in urban areas. It is an adaptive system that responds automatically to fluctuations in traffic flow through the use of vehicle detectors embedded in the road.

## **Smart Card**

An electronic form of pre-payment ticket for use on buses and other forms of public transport, with the possibility of it also being useable for paying for other transport services, such as parking charges, or non-transport services. Sometimes referred to as an “electronic purse”.

## **Smart Mobility**

See “Intelligent Mobility”.

## **Smarter Choices**

A range of initiatives designed to encourage people to make informed decisions about their choice of how or whether or not to travel, including consideration of sustainable travel alternatives to single-person use of the private car.

## **Social Exclusion**

Social exclusion is defined as a ‘short-hand term for what can happen when people or areas suffer from a combination of linked problems such as unemployment, poor skills, low incomes, poor housing, high crime, bad health and family breakdown’. These problems tend to have a cumulative and reinforcing effect on each other, preventing people from fully participating in society.

## **SPRINT**

The brand name for bus-based rapid transit in the Metropolitan Area.

## **Supplementary Business Rates**

A way of raising locally determined finance through a supplement to the national Business Rates that would remain to be spent in the local area.

## **Sustrans**

Sustrans is the sustainable transport charity that has a vision of people choosing to travel in ways that benefit their health and the environment. It was the force behind the creation of the UK’s National Cycle Network made up of more than 12,000 miles of traffic-free walking and cycling paths, quiet lanes and on-road cycling routes for people to use to get to work, school, the shops or just for exercise and fun.

## **Traffic Manager**

This is an official position that all local highway authorities are required to have under the provisions of the Traffic Management Act, 2004. The Traffic Manager’s role is to carry out the authority’s Network Management Duties.

## **Train Operating Companies (TOCs)**

London Midland is the principal operator of local and regional train services in the Metropolitan Area. Other TOCs in the Metropolitan Area are Arriva Trains Wales, Chiltern Railways, Cross-Country Trains, Virgin Trains and Wrexham & Shropshire. Their services provide direct links with London and many other parts of the country, extending from Aberdeen to Penzance and from Aberystwyth to Stansted.

## **Tram-Train**

Tram-train is a light-rail public transport system where trams also run on main-line train tracks for greater flexibility and convenience. The first UK trial of tram-train is currently underway in South Yorkshire. The trial of these innovative lightweight vehicles is looking at the environmental benefits, operating costs and technical suitability of the tram-trains as well as testing how popular the vehicles are with passengers on the route

## **Transport Asset Management Plan**

An asset management plan adopted by each transport authority to help manage maintenance and renewal programmes. Highway Asset Management Plans include roads, footways and associated land as well as structures that are part of or associated with a highway and signs and other street furniture. Transport Asset Management Plans include all the above and assets not on the public highway such as bus stations.

## **Travel Plan**

A plan to encourage more sustainable travel, including car sharing, use of public transport, cycling or walking. Travel Plans can relate to schools, colleges, workplaces or railway stations.

## **Travel-to-Work Area**

A network of motorways and all-purpose strategic routes of national importance for the movement of long distance traffic for which Highways England is the highway authority.

## **Trunk Roads**

A network of all-purpose strategic routes of national importance for the movement of long distance traffic. They are 'A' class roads for which the Secretary of State for Transport is the highway authority. The Highways Agency is responsible for them (and motorways) on behalf of the Secretary of State.

## **UTMC**

Urban Traffic Management & Control or Universal Traffic Management and Control; systems for linking CCTV, traffic signals, variable message signs, etc., to improve traffic flows along a road or corridor or across an area.

## **VFM**

Value for Money

## **VMS**

Variable Message Signs. Electronic displays giving traffic information, often associated in town and city centres with advance warning of car park capacity.

## **West Midlands Freight Quality Partnership**

One of a number of Freight Quality Partnerships across the West Midlands region; it is a partnership between local and transport authorities and agencies, commercial freight operators and other interested organisations with the aim of promoting efficient and effective distribution of freight movement in the Metropolitan Area.

## **West Midlands Special Needs Transport (WMSNT)**

WMSNT is the registered charity that operates "Ring and Ride" services throughout the Metropolitan Area.





[www.wmita.org.uk](http://www.wmita.org.uk)



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# **MOVEMENT FOR GROWTH:**

## The West Midlands Strategic Transport Plan Summary



The West Midlands Integrated Transport Authority (ITA) was established with a clear purpose: to plan for, and deliver, a transport system across the West Midlands Metropolitan area that will boost our regional economy and improve the daily lives of our residents and workers. This document, and the accompanying full document, sets out our vision and a strategy for how we will achieve it.

The ITA is made up of the seven leaders of the councils of the West Midlands Metropolitan Area (Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton). Representatives from the three Local Enterprise Partnerships in the Metropolitan Area are also part of the ITA.

Although our role and purpose will remain the same, the ITA will become part of the new “West Midlands Combined Authority” (CA) in 2016. It is from within this new structure that we will deliver on our commitments put forward in this strategy.

The recently announced devolution deal for the CA states that we will invest £5bn in our transport network over the next 10 years, including schemes in the High Speed Two (HS2) Growth Strategy to plug- in the two new High Speed stations to the wider West Midlands and so maximise jobs and growth from HS2. This document provides an overview of our plans for this West Midlands £5bn of funding.

## Our Aspirations

Our aspirations are set out in the following vision statement:

**"We will make great progress for a Midlands economic 'Engine for Growth'; clean air; improved health and quality of life for the people of the West Midlands. We will do this by creating a transport system befitting a sustainable, attractive and economically vibrant conurbation in the world's sixth largest economy."**

In this document we will describe how investing in our transport system can contribute to the overall vision for the West Midlands and what we believe are the right things to invest in:

### Invest in infrastructure

- Make better use of our existing road and rail capacity through schemes such as junction improvements
- Invest heavily in public transport, cycling and walking for much needed additional sustainable transport capacity

### Invest in Behaviour Change

- The infrastructure provides choice, we then need people to have the information to make their best travel choice possible

Our investment will achieve three key aims:

- 1 Improved national and regional links to boost our economy
- 2 Improved links across the Metropolitan Area to provide better access to jobs, leisure and services
- 3 Improved links within local communities to reduce the reliance on cars for short distance trips

### To achieve these aims we will develop:

- Regional infrastructure to improve movement across the West and East Midlands and to maximise the opportunities provided to us from HS2
- A high quality metropolitan public transport network –so people can easily get across the conurbation in a space efficient, environmentally friendly way
- A metropolitan main road network (“Key Route Network”) to provide for the main flows of people and freight using public and private transport
- A metropolitan cycle network – to provide a “flagship” for cycling through a network of high quality cycle routes to serve main cyclist flows
- A ‘smart’ mobility platform to make better use of transport capacity, giving people a wider set of travel options and better information on those options

### By investing in transport we can help achieve our aims and tackle our current and future challenges:

- Support economic and population growth by linking ‘jobs and people’ and ‘products and markets’
- Meet the challenges greater demand for movement brings (capacity and congestion)
- Reduce the environmental impacts from transport ( Carbon, air quality)
- Improve people’s health through the encouragement of more active lifestyles
- Raise the standard of living by improving access to leisure and essential services



### THE FACTS

**9%** of UK  
population in the region

**12%**  
of all the goods &  
services exported  
from the UK

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### Export growth up

**70%**  
between 2008  
and 2014



# Why We Should Invest In Transport

Investing in transport will have a number of positive impacts on our region:

## Supporting Jobs and Population Growth

We can support our planned growth in jobs and population by providing faster and more reliable connections between 'people and jobs'. Whether that be wholly within our borders or enabling people who live within the 'journey to work' area to access jobs in the West Midlands.

We also recognise that our transport system must also connect 'goods with markets'. We must also therefore invest in infrastructure allowing fast and reliable movement of goods within and to/from our region.

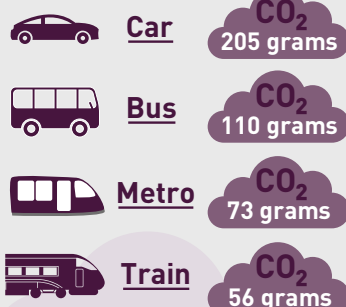
## Improving Reliability and Reducing Congestion

Our infrastructure is under pressure from the increasing demands placed on it; we have congestion and delays on our roads, we have capacity issues on our rail services and with the plans for more jobs and a larger population these challenges will continue and potentially worsen. Our goal is to reduce the problems and issues we face today and to off-set future problems before they happen.

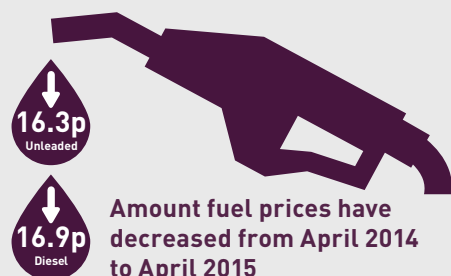
“We will develop a programmed 10 year delivery plan which will demonstrate how the overall vision for each of these will progress.”

## The Figures

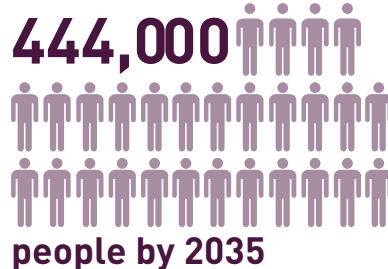
### CO<sub>2</sub> emissions per passenger km



Transport accounts for around 25% of all man made CO<sub>2</sub> emissions



Population is set to grow by as many as



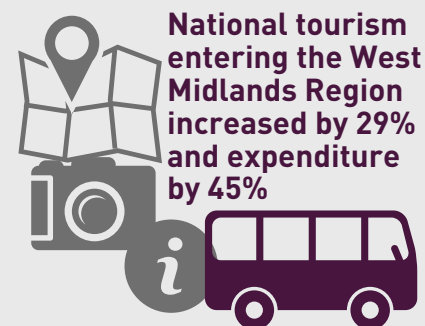
Transport represents the largest portion of weekly household spending at

14%

The West Midlands Metropolitan Area has seen a 3.2% annual growth in GVA output, at



This equates to £19,244 per head of the population in West Midlands (compared to UK £23,168 per head)



## Improving our Environment

Although there are many causes of impacts to our environment it is well known that transport contributes to poor local air quality, noise pollution and carbon emissions. We will have a strong focus on reducing transport's impacts and improving our local environment.

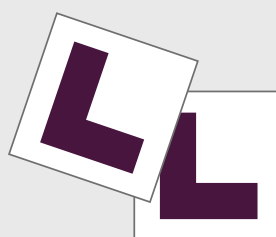
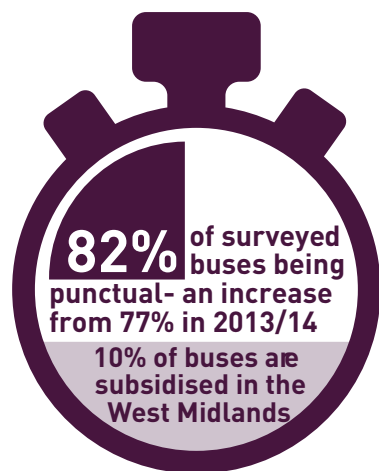
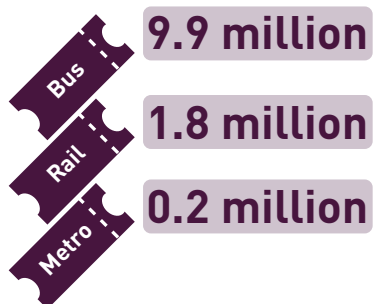
## Improving the Health of our Citizens

There is currently an emphasis nationally on the links between inactivity and poor health. This issue is being described as one of the biggest challenges of our generation. We can contribute to the overall solution by enabling people to make a choice to walk or ride a bike for particular journeys. To do so we must invest in infrastructure which make this a safe and attractive choice, but we must also invest in marketing and promotion to encourage changes in behaviour when making travel choices.

## Raising our Standard of Living

Transport isn't just about getting people to/from jobs or goods to/from markets; it is part of our everyday lives. As soon as we step out of the front door to go anywhere we are using the transport system. At the ITA our goal is to improve the lives of West Midlands' residents by raising the quality of our transport system but also ensuring that transport isn't a barrier to accessing essential services; such as health, education and leisure.

### Patronage per head of population: West Midlands



### Percentage of 17 - 20 year olds holding a driving licence:

48% in 1994  
29% in 2014

### Percentage of 21 - 29 year olds holding a driving licence:

75% in 1994  
63% in 2014



Currently 77% of households in the region own cars. This is projected to rise to 81% by 2035



The West Midlands Area uses approximately million tons of fuel a year.

**0.95**  
MILLION  
TONS

Percentage representation:



# Our Strategy

To achieve our vision and ensure that our transport system contributes to helping the West Midlands move forward we must make key investments. Two main areas of investment will be targeted:

## A Infrastructure

To improve the level of service we provide to our customers (residents, workers, firms) we must invest in new infrastructure. Our strategy is very much based on new public transport, cycling and walking infrastructure alongside junction improvements and some limited new highway capacity to serve economic development sites.

Our investments will be targeting three key 'tiers' of movement:

### National and Regional Tier

A study is currently on-going which is looking at how to improve long distance connectivity within and to/from the West and East Midlands. 'Midlands Connect' is seeking to understand how the economy of the whole Midlands region can be boosted if connections to employment and key markets are improved. It is anticipated that a programme of significant new and upgraded infrastructure will come from this study; some of which will then become priorities for the West Midlands to deliver.

### Metropolitan Tier

We will invest in infrastructure which provides faster and more reliable journeys across the West Midlands Metropolitan area. This will provide better and more sustainable access to jobs, education, health facilities and leisure for all residents and visitors.

### Local Tier

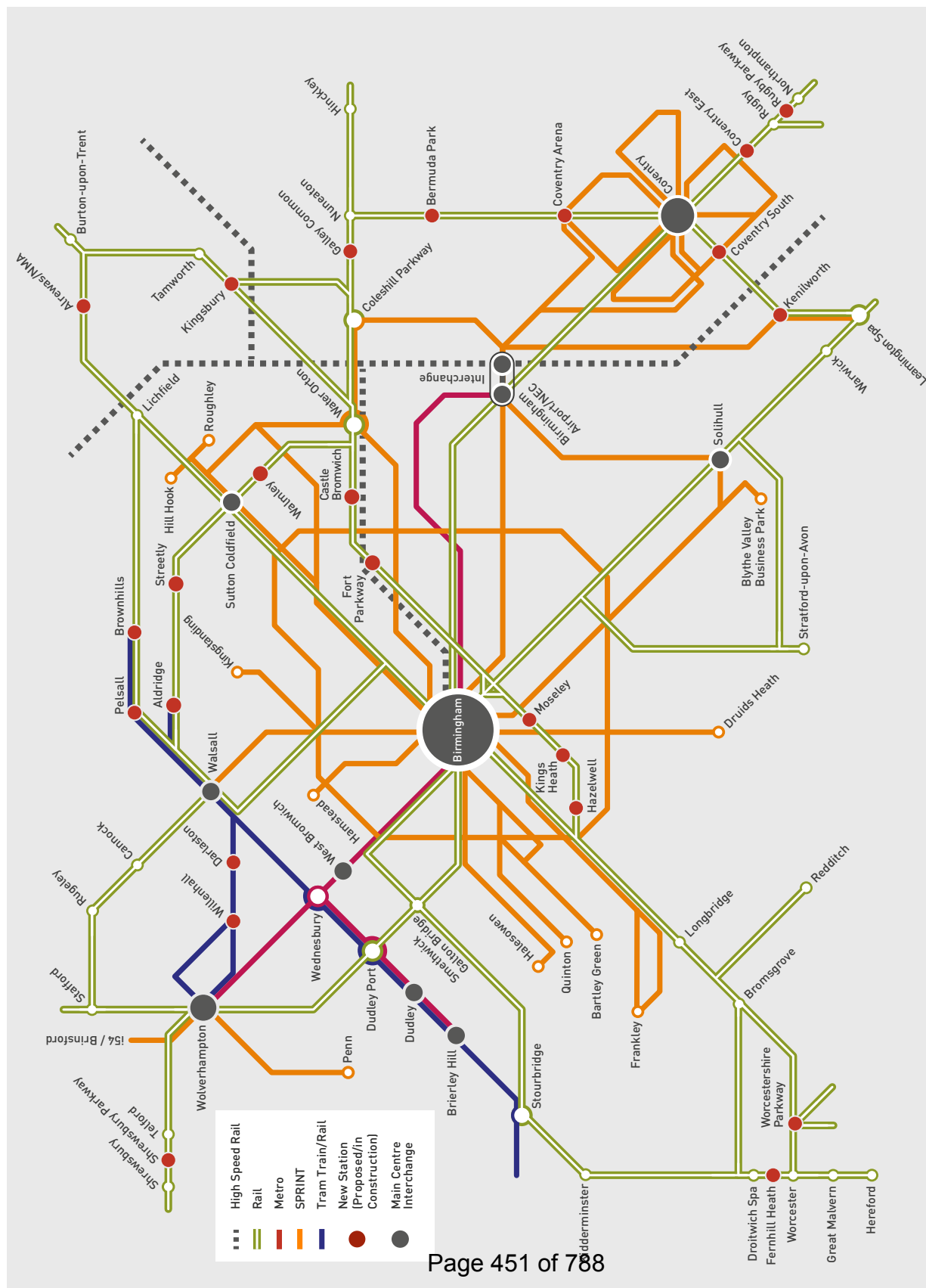
We will not forget that most daily trip making for our residents occurs very locally to where they live. We know that today 41% of journeys under 2 miles in the West Midlands are by car. We will therefore need to invest in local communities to ensure that very short distance trip making can be safely made by walking/cycling and public transport.



Specifically our investment will be centred on the following networks:

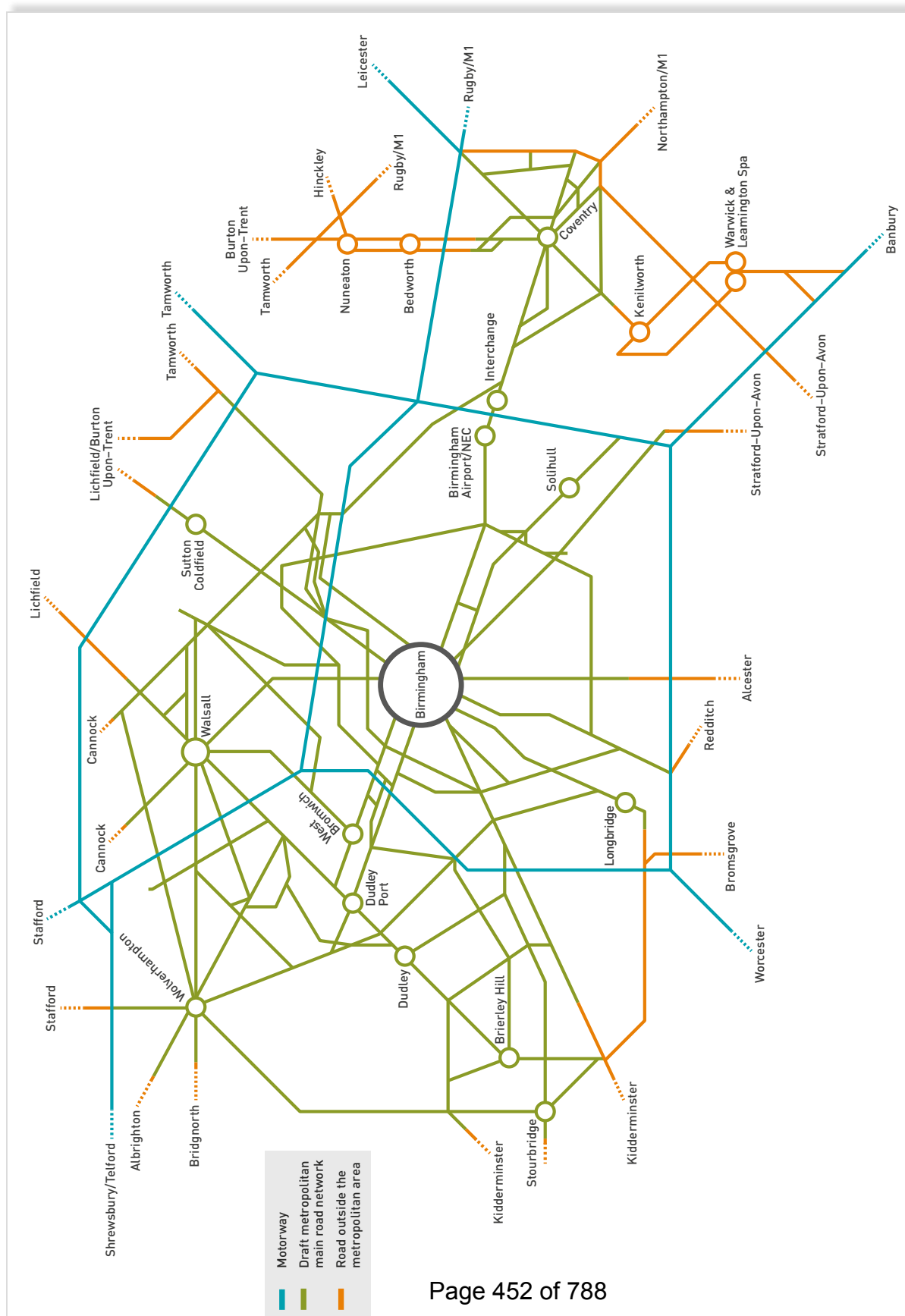
### Metropolitan Rail and Rapid Transit Network

The vision for this network is based on suburban rail, metro - light rail, tram-train, very light rail and SPRINT Bus Rapid Transit lines running on suitable routes of one single network. This will be integrated with local bus services and underpinned by park and ride, passenger information, promotion and ticketing. This system will be easy to understand and use and be provided with high standards of customer care.



### Metropolitan Main Road Network (“Key Route Network”)

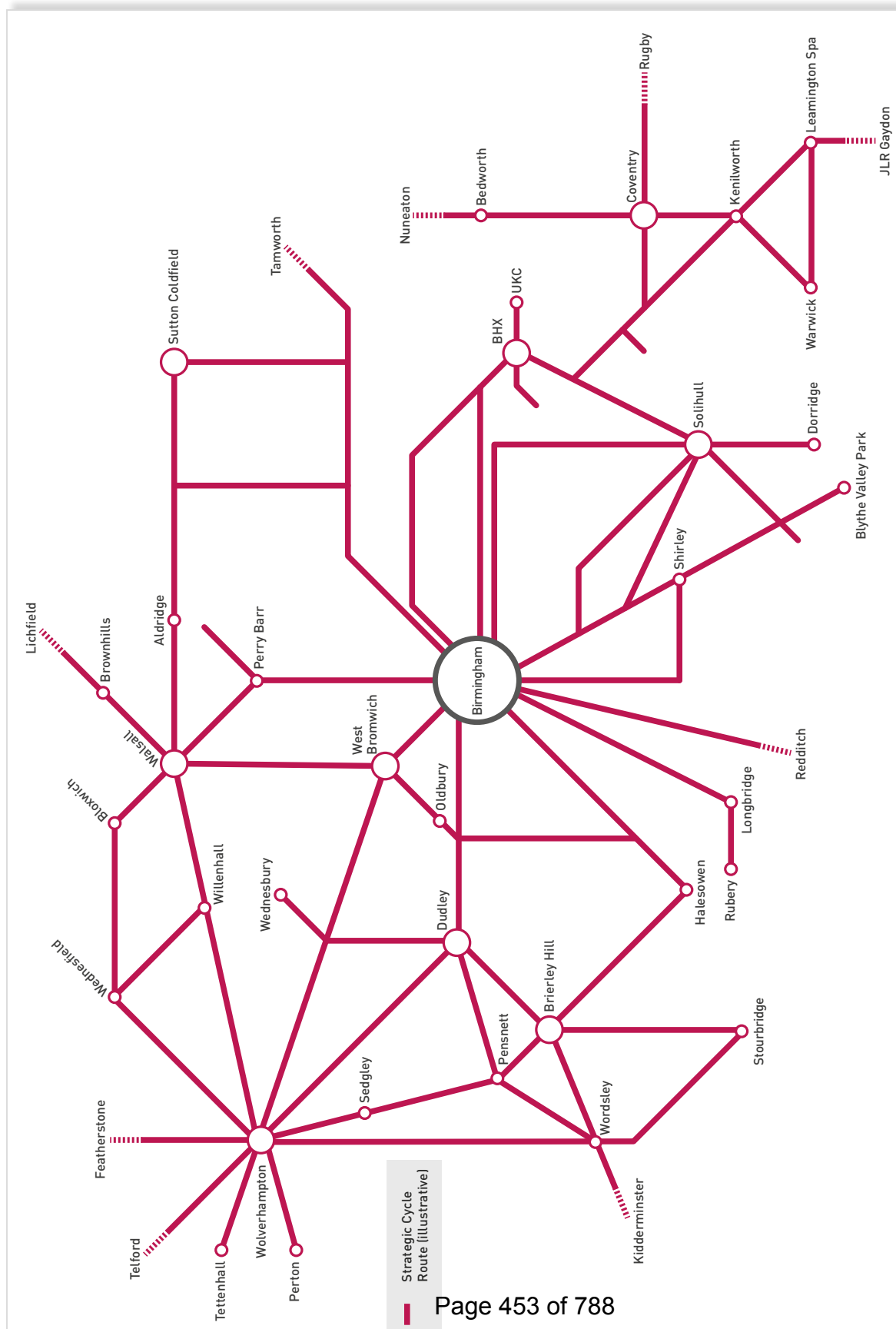
The Metropolitan Main Road Network is being developed as a “Key Route Network” and will serve the main strategic demand flows of people and freight across the metropolitan area, and provide connections to the national strategic road network.





## Metropolitan Cycle Network

The Metropolitan Cycle Network will provide high-quality, capacity and fast cycle infrastructure in key corridors. Its aim will be to raise the profile of cycling in the West Midlands and ensure that it is viewed as a viable option for most daily trip making. This network will be comprised of high quality core cycle routes supplemented by quietways using green corridors/well maintained canal towpaths and low traffic flow/speed streets; it will also be integrated with local cycle networks across the West Midlands.



## B New Transport Technology and Innovation: Smart Mobility

In addition to physical infrastructure that we will see on the ground, our strategy also recognises the importance of investing strongly in technology and behaviour change.

Our 'Smart Mobility' strategy will look at aspects such as technology and marketing/promotion to ensure that everyone has access to information. It is important to the success of the overall strategy that people can make informed choices as to what is the optimal way to make a particular journey; rather than defaulting to the car for even the shortest trips.

In addition we will look to take advantage of our region's strength and history in the automotive industry. We want to use this to help ensure the region becomes a world leader in innovative technologies around future vehicle manufacturing and engineering; leading to cleaner, greener and safer vehicles.

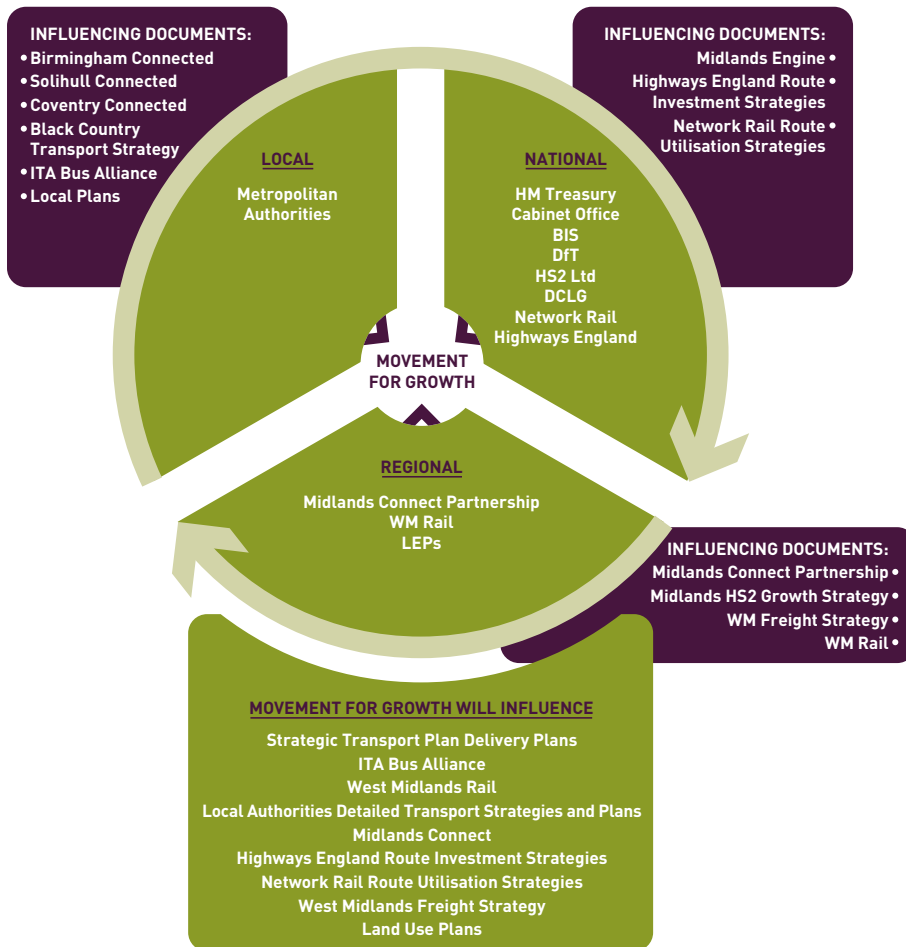
We will invest in technology to help deliver aspects such as:

- Simpler and more flexible payment mechanisms for public transport
- Innovations in vehicle manufacturing and engineering
- Increased access to and more varied travel choice information
- Reduced dependency on car ownership
- More efficient traffic management
- Reducing the need to travel
- 'Last Mile' logistics
- Road safety

“Our 'Smart Mobility' strategy will look at aspects such as technology and marketing/promotion to ensure that everyone has access to information”



## INFLUENCES ON MOVEMENT FOR GROWTH



## Delivering Our Plan

Work is progressing on developing a 10 year delivery plan (10YDP) in conjunction with West Midlands Local Authorities, Centro and the Local Enterprise Partnerships and this will continue to evolve alongside the formation of the West Midlands Combined Authority. The 10YDP will be finalised in 2016 and will form a key part of the West Midlands Combined Authority's transport workplan.

The proposed Combined Authority devolution agreement sets out how we intend to fund our ten year delivery plan. The proposed agreement covers a new £36.5 m per year revenue stream for 30 years from the Government, which the West Midlands can borrow against for up-front investment. This is part of a new overall investment plan for the Combined Authority which will also include existing committed capital investment, devolved funding streams, including those for local transport, private sector investment and locally generated funds. These locally generated funds will include, for example, business rate retention, expanded and new enterprise zones and prudential borrowing. It also includes £97m of Government funding of the metro extension in central Birmingham to Adderley Street

## Time to Start Delivering

We have consulted with the public and key stakeholders on the draft strategy, which was published in July 2015 and have had very positive feedback. There is strong support for the plan but the message to us is clear that people keenly want to see schemes delivered on the ground. That will be our focus from here on in, with the prospects of a new Combined Authority commencing next year providing a very solid basis for a prolonged period of delivery in line with this plan.





[www.wmita.org.uk](http://www.wmita.org.uk)



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# Birmingham City Council

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Our Ref: TA/PW

14 October 2015

West Midlands ITA Policy & Strategy Team  
c/o Council House Extension  
6 Margaret Street  
Birmingham B3 3BU

Dear Sir / Madam

**West Midlands Integrated Transport Authority Strategic Transport Plan: “Movement for Growth” Consultation**

Thank you for the opportunity to comment on the draft Movement for Growth document. On behalf of Birmingham City Council I can confirm that we are broadly in support of the strategy as set out in the consultation documents.

However, there are points of detail and emphasis where I consider the Plan could be usefully improved. Please find below some comments and suggestions which I hope will contribute towards a final version which will continue to provide the strategic direction for transport in Birmingham and the West Midlands as we move forward towards Combined Authority arrangements.

If you have any queries regarding my comments, please contact me for clarification. I look forward to receiving a final version which takes account of the points I have raised.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tahir Ali', with a stylized flourish at the end.

**Councillor Tahir Ali**  
**Cabinet Member for Development, Transport and the Economy**



## **West Midlands Integrated Transport Authority Strategic Transport Plan “Movement for Growth” – Comments on draft strategy.**

### **Challenges for the West Midlands**

The document should set out an aspiration for the various areas of the West Midlands area to develop and adopt local Sustainable Urban Mobility Plans such as Birmingham Connected and Solihull Connected which will help to shape the delivery of Movement for Growth at the local level.

### **Land Use Policies and Planning Guidance**

The National Planning Policy Framework (NPPF) states that ‘Sustainable development means development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It is central to the economic, environmental and social success of the country and is the core principle of planning.’

It is recommended that the ITA and the metropolitan districts ensure that the appropriate land use planning policies are in place in order to facilitate the implementation of transport policies which ensure that development improves the sustainability of the transport network as well as encouraging sustainable travel habits.

### **Population Growth and Housing Development**

There is also a need to consider the requirements of a growing younger population in some areas and the type of transport challenges this presents. There is a large population of around 20-24 which is mainly due to students coming to study at the City’s Universities. In Birmingham 45.7% of residents are estimated to be under 30 years old, compared with estimates of 39.4% for England. In contrast 13.1% of our residents are over 65, compared with 17.6% nationally.

The transport challenges for younger people are particularly in terms of the cost of transport and their ability to access education and employment opportunities. There is also a decline in the number of young people learning to drive and own private cars and therefore there is an increasing dependence on other forms of travel. Birmingham has more people in the younger age groups, compared to the rest of England which has a greater proportion of older people.

The approach to housing within the document is limited and further consideration would be welcome. The work done by PBA on transport priorities linking to spatial economic and housing objectives estimates that there is a shortfall in provision of circa 38,000 dwellings by 2031 (against an overall requirement of 207,000) across the HMA (Birmingham, Black Country, Solihull, Tamworth, Lichfield, South Staffordshire, North Warwickshire, Stratford upon Avon (part) Cannock Chase, Bromsgrove, Redditch.

Most of this shortfall emanates from needs generated in Birmingham but which cannot be physically located within city boundaries. It also estimates an increase of some 300,000 full time equivalent jobs within the Housing Market Area which will have transport implications.

Similar analysis has been done in Coventry / Warwickshire and has drawn the same conclusions, albeit on a smaller scale. Whilst the reference in the document to population growth by 2035 being equivalent to the size of Liverpool may be correct, much of the development will be accommodated within the existing built up area (see above). That said, the short fall is significant and equivalent to the settlement the size of Redditch.

The PBA work also concludes that brownfield opportunities are diminishing, hence there is a need to review policy designations and consider greenfield sites through the likes of urban extensions along rail corridors, expansion of existing settlements etc., all of which will have implications for transport infrastructure and funding streams. It is imperative, therefore, that spatial and transport strategies should be developed in tandem.

The following approach is suggested:

- Consider capacity on the existing network to accommodate new development (NPPF para 32)
- Consideration of programmed infrastructure which will create new capacity which could accommodate additional development
- Consider whether the business case for new schemes could be improved by additional development or could new development provide a means of addressing existing connectivity problems or enhance / maintain existing levels of service?

To support this it is important to identify and protect sites / routes, where infrastructure is critical in widening transport choice and supporting development.

In terms of the data presented within the report some analysis of transport trends and the policy implications / response would provide some context, for example widening of TTWA and longer journeys to work, greater incidence of home working, change in mode of travel to work, major growth in rail journeys etc.

It would add clarity if the schemes shown diagrammatically on page 17 were named. A diagram showing major development activity and how this relates to the transport network would also be useful.

The document does not really tackle the accessibility to employment issues (which transport has a key role to play in) and there should be more explicit recognition of this e.g. the eastern corridor in Birmingham but this could also apply to other parts of the region.

### **Duty to Cooperate**

Regulations identify ITAs along with ORR and highways authorities as Duty to Cooperate bodies, who have an obligation to engage constructively with local authorities in preparing local plans. Similarly local authorities have an obligation to have regard to ITA policies. Reference to this in the context of integrating transport and spatial planning should be made.

### **Environment and Public Health**

Transport emissions account for 25% of Birmingham's controllable CO2 emissions (and this is likely to be similar for the other districts) and it would be useful to make this point in the document.

It is suggested that paragraph 2.15 is amended as follows to reflect that Local Air Quality Management is going through a revision and AQMA may not exist in the future. AQMA are not declared for oxides of nitrogen but for nitrogen dioxide. There should also be recognition of the impacts of transport noise. The public health evidence base should be updated to provide more current information. The following is suggested:

'Local air quality needs to be improved so that the West Midlands becomes compliant with all relevant emission limits for air pollutants, specifically that for nitrogen dioxide, thereby promoting Government's aim for UK wide compliance and promoting public health outcomes. Public health impacts of poor air quality centre on respiratory problems alongside cardio-vascular problems, although evidence for other systemic impacts is growing e.g. neurological. At a basic level, road transport emissions from exposure to fine particles account for around 1,460 premature deaths each year in the West Midlands (Estimating Local Mortality Burdens Associated with Particulate Air Pollution, Public Health England, 2014), whilst deaths attributable to nitrogen dioxide may be in the region of around half that figure, when calculated based on the approach used in the Health risks of air pollution in Europe – HRAPIE project (World Health Organisation, 2013). The need to reduce emissions from the transport sector in the West Midlands is therefore highly important, particularly related to emissions within built up urban areas as well as from the motorway network. Other public health issues where transport strategy can play its part are the need to tackle the West Midlands' high obesity levels and diabetes through more active travel, and to radically reduce the number and severity of road traffic casualties. Furthermore, transport related ambient noise also needs to be reduced'.

## **Our Vision**

At 4.2 the document makes reference to 'fifteen policies under the five objectives'. Suggest that this is clarified as the document actually sets out that there are 'Four Challenges (2.4), 8 objectives (3.3) and 15 policies (p29)'.

Page 6 ECON 2 is a bit weak and would be helped by addressing the point with regard to transport as an enabler to accessing to employment opportunities. There does seem a lack of balance with more Environmental objectives and fewer on population growth, housing and the economy.

## **Twenty Year Vision for the Four Tiers of the Transport System and Indicative Phasing of the Long Term Programme**

We would suggest that in addition this needs to include an International Tier which acknowledges the importance of the West Midland's transport links to international gateways e.g. particularly the need to emphasise good access to Birmingham Airport (as well as key existing and proposed developments in the area i.e. NEC, UKC, HS2 interchange), ambitions for a HS2 to HS1 link to enable direct international rail travel and also links to ports: particularly linking to where Midlands Connect may seek to improve capacity and capability of rail freight connections including gauge enhancement and electrification.

### **National / Regional Tier**

High Speed 2 should be included as a Key Transport Priority for the National / Regional Tier. Overall HS2 does not get covered a lot in the document but it will be the single most important transport infrastructure project for the West Midlands (and the UK) over the next 20 years.

### **Metropolitan Tier**

Within the Metropolitan Tier we would suggest that the strategy offers some flexibility to consider different types of mass rapid transit solutions e.g. exploring the potential for Monorail and Ultra-Light Rail which could both offer alternative options for developing parts of a mass transit network in certain circumstances.



Figure 4.5 on page 14 fails to adequately demonstrate the philosophy of the strategy to ensure that residents have good access to jobs and activities within the region. I would suggest that this might be demonstrated as a plan showing journey time isochrones to / from Birmingham city centre and to / from the relevant strategic centres – this would also help to identify where the challenges in terms of achieving these levels of connectivity currently exist.

The Metropolitan Cycle Network should also reference the Birmingham Cycle Revolution Design Guide which will have been completed by the time the final version of this strategy is approved.

### **Park & Ride**

Continuing to expand Park & Ride capacity across the metropolitan and wider travel to work area is essential if we are to achieve mode shift and reduce car traffic into key centres. Birmingham Connected suggests that there are opportunities for new or expanded Park & Ride, or Cycle & Ride, facilities both inside and outside Birmingham. Three different types of facility have been considered.

- Strategic – sites towards the edge close to the boundary of the city, located close to key highways interchanges.
- Local – sites further inside the city boundary and;
- Micro – small scale sites potentially serving the rapid transit network, where provision is particularly made for people with disabilities and cycling.

Integrating cycling with the rest of the mass transit network will also be important and its consideration should be implicit in proposals. The Integration of cycle routes with high frequency public transport services; as well as providing cycle hubs and secure parking at Park & Ride sites; and consideration of cycle hire schemes across the network to enable people to continue their journey from a station/stop by bike should be included

### **Local Tier**

For clarity 4.3.3 should state that the local tier is made up of all local highways (excluding those identified as part of the Metropolitan Main Road Network).

Within the local tier the strategy should also acknowledge that there is a need to continue to seek harmonisation across the region with regard to policy and particular modes e.g. taxis.

### **Smart Mobility Underpin Tier**

The Strategy should set out the intention for the West Midlands to have a consistent approach for measures to support the uptake of Ultra Low Emission Vehicles in order to ensure success against objectives to reduce carbon emissions and improve air quality.

The City Council published the Birmingham Blueprint document in February 2015, the role of which is to provide recommendations on infrastructure roll-out in Birmingham in order to inform activities and investments within the sector, and advice for the Council on actions to be taken to support the delivery of the infrastructure plan. The focus is on the needs of fleet vehicles: taxis, fleet cars, vans, buses and trucks. There is a need for a joined West Midlands approach to the planning and delivery ULEV infrastructure to ensure appropriate availability, interoperability and to support future opportunities for funding e.g. from the Office for Low Emission Vehicles.

After each tier is a list of priorities but there is no explanation of why these are the priorities. The structure of the tiers is also difficult to follow and there is no real thread that can be followed from objectives through to priorities.

## **Road Safety**

Road Safety is implicit within efforts to promote more sustainable and active travel and should be highlighted and set out in a separate section as opposed to being covered at the end of a section.

The City Council has recently consulted on a new draft Road Safety Strategy. The Department for Transport's Strategic Framework for Road Safety states that the government will not set a target or definitive forecast for road safety and that local authorities are able to set out their own road safety priorities, taking account of local circumstances and needs.

While the Framework notes that accurately predicting future levels of road deaths and injuries is not straightforward, it uses modelling undertaken by the Transport Research Laboratory to make estimated projections based on past rates and trends, the expected effect of current measures and projections of traffic growth. On the basis of the approach within the Framework, Birmingham has proposed working towards a forecast reduction of 40% in KSIs by 2020 from 2005 - 2009 average.

This will require co-ordinated effort with partners and communities to reduce KSIs to this level. This will largely need to be underpinned by refocusing on certain key areas and vulnerable user groups to make the best use of available resources.

## **Smarter Choices**

Smarter Choices is much wider than travel plans and links back to the wider agenda of smart mobility through providing people with accurate real-time transport information, provided direct to personal devices and vehicles, to improve the travel experience in the West Midlands and enable to make well informed decisions around when and how to make their journeys.

Car Clubs are referred to briefly within the context of integration but there needs to be a West Midlands strategy encouraging their development and take up linked to planning policies.

## **Servicing & Logistics**

Freight is referenced throughout the document but the agenda is of significant importance to warrant its own section with a much stronger focus on the needs of 'freight' (in its widest sense) given the importance of a resilient and effective logistics network across the West Midlands to strengthen the area's economic positioning.

The ITA is developing a number of key initiatives around this agenda including the Freight Routing Study, the production of the Metropolitan Freight Strategy Addendum and the Freight Implementation Plan which will help to identify and prioritise work streams to progress the ITA's multi-modal freight agenda. More detail on these areas of work should be provided in Movement for Growth.

Through the Birmingham Connected Servicing and Logistics Package the Council is looking to develop strategies for servicing and logistics based upon the 'Olympics 4Rs', as developed by the Olympic Delivery Authority and Transport for London during the 2012 London Olympic Games.

The 4Rs refer to re-timing, remodelling, re-routing and reducing deliveries. A number of measures covering these 4Rs were initially adopted for the short duration of the Olympic Games but have since been extended and made permanent as a result of the cost and operational efficiencies identified.

The interventions recommended in Birmingham Connected cover a range of physical, operational and behavioural measures, which when combined as a package tackle the 4Rs in a balanced way. Appropriate measures are now being considered as the Council moves forward with the introduction of the Green Travel District (GTD), with the initial being piloted in the Edgbaston / Selly Oak University and Hospital campus area. We would encourage Movement for Growth to acknowledge the 4Rs approach as a balanced approach to developing strategies for servicing and logistics.

## **Revenue based operation and supporting policies**

It is suggested that this section should be retitled as Demand Management to reflect the important role of measures such as parking management, which can be cost-effective alternatives to increasing capacity by influencing travel behaviour and to deliver better environmental outcomes, improved public health, stronger communities, and more prosperous cities. P

Whilst there are no firm commitments with regard to the introduction of measures such as Work Place Parking Levies, Congestion Charging or Low Emission Zones presently, the document should not shy away from being upfront that these are potentially measures that the region may have to consider in order to deliver on the transport objectives and wider policy outcomes we collectively wish to realise.

## **Funding and Delivery**

The funding section could emphasise the size of the Growth Deals by presenting a combined figure (i.e. £630m) before breaking down into what each LEP received, this emphasises the collective impact of the investment secured. GBSLEP secured £378.8m (an extra £21.4m was announced in Jan 2015 in addition to £357.4m to 7 July) (this is covered in para 6.3 but could be clearer).

The section could refer to the recent work undertaken by the ITA, by detailing some of the specific options being considered, and could also make reference to other sources of government funding that could be targeted (e.g. OLEV / ERDF) and some of the innovative approaches that could be adopted.

The document makes no mention of Devolution or Devolution Deals and the broader context and direction of government policy should be reflected as an opportunity to secure funding and powers to deliver an engine for growth.

The document provides a high level, long term vision for the direction of transport strategy in the West Midlands and sets out a number of key deliverables over the twenty year plan period across the various tiers. However within that there is very limited detail on the expected implementation dates for some of these deliverables. Whilst it is acknowledged that some of the timescales would be purely indicative at this stage, it would help to provide dates to build a picture of the expected outcomes at various stages over the twenty year plan period.

The ITA should also consider producing supporting shorter term documents which set out the key deliverables and funding with an e.g. five year planning horizon. These should be regularly updated to take account of changes in policy, funding availability and emerging issues and trends such as the economy or technological advances.

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	WMITA Strategic Transport Plan - "Movement For Growth" - Endorsement Of The Document
<b>Directorate</b>	Economy
<b>Service Area</b>	Transportation Services Growth And Transportation
<b>Type</b>	Amended Function
<b>EA Summary</b>	<p>The West Midlands Integrated Transport Authority (WMITA) is responsible for formulating the transport strategy and policy; incorporating strategic highways, Midland Metro, freight, rail, bus and rapid transit networks.</p> <p>The WMITA has developed a strategic transport plan - 'Movement for Growth' - aimed at delivering strong economic growth. This plan forms the metropolitan area's overarching Urban Mobility Plan; around which each authority can develop their own bespoke strategies which suit their needs but fit under the umbrella of the overarching objectives for the West Midlands. The document outlines the need for the West Midlands plan and what it contains.</p> <p>Birmingham City Council have been being consulted on the Plan, and are now being asked to:</p> <p>Endorse Movement for Growth, which was approved by the West Midlands Integrated Transport Authority on 17th December 2015.</p> <p>Support the use of Movement for Growth to inform future transportation capital investment projects and programmes in Birmingham.</p> <p>Agree that Movement for Growth is presented to Full Council for adoption as City Council transport policy and to amend the constitution as appropriate.</p> <p>The expected outcome is that the City Council endorses the plan.</p> <p>This EA is an updated version of EA000868.</p>
<b>Reference Number</b>	EA001101
<b>Task Group Manager</b>	Peter.A.Bethell@birmingham.gov.uk
<b>Task Group Members</b>	Tim.Mitchell@birmingham.gov.uk, philip.edwards@birmingham.gov.uk, Chloe.Taylor@birmingham.gov.uk, david.i.harris@birmingham.gov.uk
<b>Date Approved</b>	2016-02-03 00:00:00 +0000
<b>Senior Officer</b>	philip.edwards@birmingham.gov.uk
<b>Quality Control Officer</b>	Lesley.Edwards@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 **Page 465 of 788**

## **1 Activity Type**

The activity has been identified as a Amended Function.

## **2 Overall Purpose**

### **2.1 What the Activity is for**

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<p>What is the purpose of this Function and expected outcomes?</p>	<p>The West Midlands Integrated Transport Authority (WMITA) is responsible for formulating the transport strategy and policy; incorporating strategic highways, Midland Metro, freight, rail, bus and rapid transit networks.</p> <p>The WMITA has developed a strategic transport plan Movement for Growth - aimed at delivering strong economic growth. This plan forms the metropolitan area's overarching Urban Mobility Plan; around which each authority can develop their own bespoke strategies which suit their needs but fit under the umbrella of the overarching objectives for the West Midlands. The document outlines the need for the West Midlands plan and what it contains.</p> <p>The main aspects of the plan include:</p> <p>A set of objectives and policies for transport improvements:</p> <p>Introduce a fully integrated rail and rapid transit network that connects the main centres with quick, frequent services, and which is connected into the wider local bus networks through high quality multi-modal interchanges; Increase the number of people that are within 45 minutes travel time by public transport to a minimum of three main centres and the two HS2 stations;</p> <p>Reduce transports impact on our environment improving air quality, reducing carbon emissions and improving road safety;</p> <p>Use transport improvements to enhance the public realm and attractiveness of the areas centres;</p> <p>Ensure that walking and cycling are a safe and attractive option for many journeys, especially short journeys below one or two miles, by delivering a strategic cycle network and enhancing local conditions for active travel;</p> <p>Facilitate the efficient movement of people on the areas transport networks to enable access to education and employment opportunities and health and leisure services;</p> <p>Enable businesses to connect to supply chains, key markets and strategic gateways through improved strategic connections by road and rail;</p> <p>Maintain and develop the areas transport infrastructure and services effectively to help ensure that they are safe and easily accessible for all.</p> <p>Consultation on the draft version of Movement for Growth took place Autumn 2015. All Members were informed of the consultation and provided with a full and summary version of the document. Comments were invited and Members were encouraged to respond. The Economy, Skills and Sustainability Overview &amp; Scrutiny Committee received a presentation on the strategy from West Midlands Integrated Transport Authority (WMITA) officers on 16th October 2015.</p> <p>Consultation on the draft version of Movement for Growth was undertaken with officers in other service areas including Highways, Planning &amp; Regeneration and Environmental Health and comments received helped to develop the Councils response which was approved by the Cabinet Member for Development, Transport &amp; the Economy on 15th October 2015.</p> <p>Officers from City Finance and Legal &amp; Democratic Services have been involved in the preparation of the report.</p> <p>The Leader of the Council and the Cabinet Members for Inclusion and Community Safety and Sustainability were consulted on this report.</p> <p>Birmingham City Council have been asked to endorse the plan, and the expected outcome is that the City Council endorses the plan.</p>
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**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

## **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?	Yes
Will the policy have an impact on wider community?	Yes

## **2.3 Analysis on Initial Assessment**

An initial Equalities Analysis has been carried out, and it has been considered that none of the protected characteristics are affected by the City Councils endorsement of the West Midlands Integrated Transport Authority's Strategic Transport Plan: 'Movement for Growth'.

The City Council are being asked to endorse a Strategic Transport Plan being developed by an external organisation, the West Midlands Integrated Transport Authority. It is the ITA's own responsibility to consider equalities issues on their own documents.

The West Midlands Integrated Transport Authority have carried out their own Equalities Assessment on the document.



### **3 Concluding Statement on Full Assessment**

An initial Equalities Analysis has been carried out, and it has been considered that none of the protected characteristics are affected by the City Councils endorsement of the West Midlands Integrated Transport Authority's Strategic Transport Plan: 'Movement for Growth'.

The City Council are being asked to endorse a Strategic Transport Plan being developed by an external organisation, whose responsibility it is to consider equalities issues.

The West Midlands Integrated Transport Authority have carried out their own Equalities Assessment on the document.

### **4 Review Date**

16/01/17

### **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>STRATEGIC DIRECTOR FOR ECONOMY</b>
<b>Date of Decision:</b>	<b>16 FEBRUARY 2016</b>
<b>SUBJECT:</b>	<b>UPDATED TRANSPORTATION AND HIGHWAYS CAPITAL FUNDING STRATEGY 2015/16 TO 2020/21 PROGRAMME DEFINITION DOCUMENT</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 000224/2015</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) or Relevant Executive Member for Local Services:</b>	<b>Councillor Tahir Ali – Cabinet Member for Development, Transport and the Economy</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn – Economy, Skills, and Sustainability</b>
<b>Wards affected:</b>	<b>ALL</b>

<b>1.</b>	<b>Purpose of report:</b>
1.1	To seek approval to the Programme Definition Document updating the Transportation and Highways Capital Funding Strategy (THCFS) for the period 2015/16 to 2020/21 at a total estimated capital cost of £253.916m and allocate new Integrated Transport Block (ITB) capital funding available through the Local Transport Capital Settlement (LTCS) process. The firm allocations for 2015/16 and 2016/17, and provisional allocations for 2017/18 to 2020/21 support a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy. The THCFS has been developed to align with the Council's proposed Capital Expenditure Programme for 2016/17 to 2018/19.
1.2	To seek approval to a match funding strategy to meet the Council's local contribution commitments relating to Department for Transport (DfT) major schemes, the Local Growth Fund (LGF), Local Sustainable Transport Fund (LSTF) and Cycle City Ambition Grant (CCAG) programmes. This includes the allocation of net surplus Bus Lane Enforcement income to Transportation and Highways projects, as required by the Bus Lanes Contraventions Regulations 2005.
1.3	To seek approval to release development funding for 2015/16 (£0.905m) and 2016/17 (£1.120m) to progress individual projects to Project Definition Document (PDD) or Full Business Case (FBC) stage in accordance with the Council's Gateway and Related Financial Approval Framework (GRFAF).

<b>2.</b>	<b>Decision(s) recommended:</b>
	That Cabinet:
2.1	Approves the Programme Definition Document provided as Appendix A (including annexes A to H setting out schemes, programme governance and prioritisation criteria) to this report at a total estimated cost of £253.916m;
2.2	Approves firm allocations of £5.159m in 2015/16 and 2016/17, and estimated allocations of £5.159m per annum for the period 2017/18 to 2020/21 of new ITB funding provided through the LTCS process;
2.3	Notes the alignment of the THCFS with the Council's proposed Capital Expenditure Programme (CEP) for 2016/17 to 2018/19, as set out in Appendix B to this report;

2.4	Approves the release of development funding for 2015/16 (£0.905m) and 2016/17 (£1.120m) to progress individual projects to Project Definition Document (PDD) and FBC stage in accordance with the Council's GRFAF;
2.5	Approves the match funding strategy detailed in this report to enable the Council to meet its local contribution commitments relating to DfT major schemes and the LGF, LSTF and CCAG programmes and notes the requirement to fund (potentially from prudential borrowing) an estimated £16.611m from 2020/21 relating to the Tame Valley Viaduct and Dudley Road major projects;
2.6	Approves an additional preparatory costs application to the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for £0.510m to support development activities associated with the Ashted Circus, Battery Way, Iron Lane and Birmingham Sustainable Urban Extension projects. These sums remain within the overall LGF allocations for each project, but will enable the early drawdown of resources to meet the costs of preparatory activities. Grant acceptance is recommended to be delegated to the Council's Section 151 Officer;
2.7	Approves the use of net surplus income from the Council's Bus Lane Enforcement operation to meet local funding contribution commitments relating to the LGF programme, as set out in this report, noting a forecast operating surplus of £3.964m at 31 March 2016;
2.8	Authorises the City Solicitor to negotiate, execute and complete any necessary legal documentation to give effect to the above recommendations.

<b>Lead Contact Officer(s):</b>	Phil Edwards – Head of Growth and Transportation
<b>Telephone No:</b>	0121 303 7409
<b>E-mail address:</b>	<a href="mailto:Philip.edwards@birmingham.gov.uk">Philip.edwards@birmingham.gov.uk</a>

<b>3. Consultation</b>	
	<u>Internal</u>
3.1	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and Acting Assistant Director Transportation and Connectivity who support the proposals contained within this report.
3.2	Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.
	<u>External</u>
3.3	Full external consultation will be undertaken as part of individual PDDs and FBCs in accordance with normal practise including residents, emergency services, businesses, Centro and the Cycling Forum.

4. Compliance Issues:	
4.1	<p><u>Are the recommended decisions consistent with the Council's policies, plans and strategies?</u></p> <p>The Transportation and Highways Capital Programme Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy.</p>
4.2	<p><u>Financial Implications (Will decisions be carried out within existing finance and Resources?)</u></p> <p>ITB capital funding of £30.954m for Birmingham is estimated to be provided to the West Midlands Integrated Transport Authority (ITA) as Section 31 grant from the Department for Transport (DfT) between 2015/16 and 2020/21. The ITA is responsible for acceptance and adherence to conditions associated with the Section 31 grant and for reallocating ITB funding to Metropolitan District Councils and Centro. The allocated ITB values for 2015/16 and 2016/17 are firm, with estimates of allocation being used for 2017/18 to 2020/21. Allocations have been aligned with the Councils proposed CEP for 2016/17 to 2018/19 as set out in the Council Business Plan and Budget 2016+ and detailed in Appendix B to this report.</p>
4.3	<p>Forecasts issued by the Department for Transport (DfT) indicate that this annual allocation will remain constant until 2020/21. Implications associated with the West Midlands Combined Authority (WMCA) on these allocations are not known at this time. Such funding is significantly supplemented by bidding activities to Government and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for funding including Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG) and Enterprise Zone (EZ). The total estimated capital cost of all projects and programmes utilising these resources over the 6 year period covered is £253.916m.</p>
4.4	<p>Detailed financial information is provided in Appendix A to this report including a funding strategy to enable the Council to meet significant local funding contribution requirements relating to Government and GBSLEP programmes. This strategy includes the use of net surplus Bus Lane Enforcement income and a requirement to fund an estimated £16.611m from 2020/21 from prudential borrowing, unless other resources can be identified. The prudential borrowing revenue costs will be charged to Transportation and Highways budgets and funded as described in paragraphs 5.13 to 5.15 below.</p>
4.5	<p>New capital transport projects by nature attract additional ongoing costs in respect of maintaining new highway assets. For projects approved in 2015/16 and 2016/17 an approved annual corporate policy contingency allocation is in place to accommodate inventory growth (in 2015/16 this is £0.500m and in 2016/17 £0.750m). All projects and schemes will need to identify revenue maintenance commitments and funding as part of the PDD/FBC approval process.</p> <p><u>Legal Implications</u></p>
4.6	<p>The relevant primary legislation required to implement individual projects contained within the THCFS comprises the Highways Act 1980; Road Traffic Act 1974; Road Traffic Regulation Act 1984; Traffic Management Act 2004; Town and Country Planning Act 1990 and Planning and Compulsory Purchase Act 2004. The Bus Lanes Contraventions Regulations 2005 are also relevant to this report.</p>

4.7	<p><u>Public Sector Equality Duty (see separate guidance note)</u></p> <p>An initial screening for an Equality Assessment (EA) has been undertaken for the THCFS and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed for each composite project and/or programme at PDD and FBC stage as necessary. The initial screening is provided as Appendix C to this report.</p>
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<b>5. Relevant background/chronology of key events:</b>	
5.1	<p>The Transportation and Highways Capital Funding Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy. The THCFS is also relevant to the Future Council programme and proposals contained within the Sustainable Neighbourhoods package.</p>
5.2	<p>In the context of the vision for an inclusive city, the THCFS has a strong focus on supporting the Council's core mission to 'work together to create a fair, prosperous and democratic city'. In addition, the programme seeks to make a significant contribution towards the key priorities of safety, businesses, sustainability, unemployment and engagement/influence by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.</p>
5.3	<p>The Government allocates capital funding for improving and maintaining the transportation and highway networks through the Local Transport Capital Settlement process. Specific annual allocations are determined through this mechanism, with resources allocated directly to the West Midlands Integrated Transport Authority (WMITA), who determine a reallocation of Integrated Transport Block (ITB) funding to Metropolitan District Councils and Centro.</p>
5.4	<p>Funding for highway maintenance is 'passported' directly to District Councils, with the exception of Birmingham, whose allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (PFI).</p>
5.5	<p>The WMITA as the responsible body for the funding has allocated ITB funding to Birmingham and the other Metropolitan District Councils to be used for 'small transport improvement projects'. This is in accord with the intention of Government, that the funding be used for such projects to help Local Authorities stimulate local economies by reducing congestion, improving road safety, improving accessibility and supporting the use of active and sustainable modes of travel. Any implications of the WMITA being dissolved and relevant functions becoming part of the West Midlands Combined Authority (WMCA) are not known at the time of this report.</p>
5.6	<p>The THCFS has previously been updated to cover a rolling three year period to accord with the approach adopted by the Council in producing its CEP. In the context of longer term funding programmes such as the Local Growth Fund and the need arising from the Kerslake report for the Council to produce a long term financial strategy this has now been increased to a 6 year rolling period. The THCFS has also been aligned with the Council's proposed CEP for 2016/17 to 2018/19 to ensure consistency with the Business Plan and Budget 2016+.</p>

5.7 A total of £5.159m of new ITB capital funding has been allocated through the above process to Birmingham for integrated transport projects in 2015/16 and 2016/17. Forecasts issued by the DfT indicate that this annual allocation will remain constant until 2020/21. Any impact of the West Midlands Combined Authority (WMCA) on these allocations is again unknown at this time. Such funding is significantly supplemented by bidding activities to Government and the GBSLEP for funding including Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG) and Enterprise Zone (EZ).

5.8 The structure of the THCFS remains as previously agreed by Cabinet and comprises the following programmes: Major Schemes and Local Growth Fund; Economic Growth and Congestion Reduction; Walking, Cycling and Accessibility; Road Safety; Safer Routes to Schools; Network Integrity and Efficiency; and Infrastructure Development. Further programme detail is provided in Appendix A to this report, with a summary of annual ITB allocations shown below:

ITB Programme Allocations	Confirmed		Provisional			
	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Major Schemes and Local Growth Fund	1270	872	1588	60	2162	2000
Economic Growth	229	1060	360	735	485	785
Walking, Cycling and Local Accessibility	1990	1309	1481	2634	782	644
Road Safety	371	488	300	300	300	300
Safer Routes to Schools	260	300	300	300	300	300
Network Integrity and Efficiency	514	605	605	605	605	605
Infrastructure Development	525	525	525	525	525	525
<b>Total</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>

5.9 The Council has been highly successful in securing external grant resources to support and expand the THCFS during 2014/15 and 2015/16. In the competitive context of external bidding rounds the Council has committed to a significant level of 'local funding contribution', particularly relating to the LGF and Birmingham Cycle Revolution (BCR) programmes approved by Cabinet in March 2015. Given the short timescales and limited scheme detail available at the time of bid submissions (and Project Definition Document stage), detailed work has been undertaken to refine scheme detail and costs during 2015/16. This has been a complex process and has also led to a review of earlier stages of BCR, schemes included within the DfT's previous arrangements for major transport schemes and identification of other funding pressures in the THCFS totalling £16.974m as shown below.

Pressure	£000's
Ashted Circus	717
BCR1	1,945
BCR2	1,360
BCR3	6,525
Chester Road	1,000
Dudley Road – Development	500
Five Ways	175
Heartlands Spine Road	200
Iron Lane	2,692
Spring Hill Circus	175
Tame Valley Viaduct - Development	1,685
<b>Total Pressure</b>	<b>16,974</b>

5.10	<p>In this context a funding strategy has been developed to address both the local contribution requirement and funding required to meet current pressures. In addition, the strategy addresses development costs associated with taking provisionally approved LGF projects to the point of business case submission to DfT (Tame Valley Viaduct and Dudley Road). The funding strategy proposes the following resources to fund the pressure:</p> <p>The pressures associated with BCR 1, BCR 2, BCR3, Heartlands Spine Road and Tame Valley Viaduct Development will be funded as follows:</p> <ul style="list-style-type: none"> <li>• £6.990m to be resourced from unallocated previous years ITB (£2.561m); new ITB (£3.541m) top sliced as agreed by Cabinet previously; Supported Capital Expenditure (£0.688m) residual resources not required for the now complete Hagley Road Bus Showcase project; and Section 106 (£0.2m) windfalls;</li> <li>• £3.000m from the alignment of the A45 cycling elements of BCR3 to be reviewed and aligned with the A45 SPRINT and A45 High Speed Two cycle route proposals; and</li> <li>• £1.725m corporate capital funding to be provided in 2017/18 (£0.865m) and 2018/19 (£0.860m) to support Birmingham Cycle Revolution Phase 3, for subsequent repayment in 2019/20 from new ITB resources.</li> </ul> <p>The remaining pressures will be funded as follows:</p> <ul style="list-style-type: none"> <li>• £3.409m additional funding applications for LGF resources to be submitted to GBSLEP (£1.0m Chester Road, £1.692m Iron Lane and £0.717m Ashted Circus);</li> <li>• £1.000m of net surplus Bus Lane Enforcement (BLE) income to be allocated to the Iron Lane project in 2016/17;</li> <li>• £0.500m development costs for Dudley Road (£0.05m 15/16; £0.150m 16/17 and £0.3m 17/18) to be sought from the DfT via the GBSLEP as part of the provisional LGF allocation for this project; and</li> <li>• £0.350m to cover additional costs expected on Spring Hill Circus (£0.175m) and Five Ways (£0.175m) to be sought from GBSLEP Enterprise Zone resources in the form of a programme virement from the Navigation Street Link project, in accordance with EZ governance arrangements.</li> </ul>
5.11	<p>It is proposed that this funding strategy is updated regularly and revised as necessary with the relevant portfolio holder, as particular risks will need to be managed around external funding applications and ensuring the alignment of the A45 cycling proposals with the A45 SPRINT and High Speed Two cycle route proposals.</p>
5.12	<p>Expenditure approvals for the above projects and detail around cost variances will be handled at a project level in accordance with the Council's Gateway and Related Financial Approval Framework. Future THCFS reports will also be presented to Cabinet before the start of each financial year to ensure alignment with the Council's CEP.</p>
5.13	<p>The delivery of the Tame Valley Viaduct and Dudley Road major projects are dependent upon approval by the DfT rather than GBSLEP. On the basis of current estimates the Council will be required to provide a local funding contribution of £16.611m towards these projects split £13.097m (Tame Valley Viaduct) and £3.514m (Dudley Road). This contribution is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs) and will be required in full in 2020/21 and levers a total of £94.450m from the LGF. Given the complexity of the Tame Valley Viaduct project and the inherent risks, dialogue is currently under way with the DfT as to an appropriate delivery mechanism for the scheme.</p>



5.14	<p>To enable funding bids to be submitted to the DfT (which will be subject to specific PDD reports covering all relevant detail) it is now necessary to establish a funding strategy in respect of this significant local contribution requirement. As such, it is proposed to establish the agreed principle of prudential borrowing in 2020/21 for these projects at a total estimated sum of £16.611m. It is further proposed that this sum be repaid over a 10 year period, with annual repayments of £2.074m (interest and principal). Principal repayments will be resourced through a continued top slice of the Council's ITB from 2020/21, while net surplus BLE income will cover interest charges. Where possible, other grants and resources that may become available over this period will be used to either a) reduce the overall quantum of prudential borrowing required; or b) offset the amount of ITB top sliced to enable the delivery of other projects. Capital receipts arising from the disposal of land acquired to deliver the Dudley Road project (funded via LGF) should be recycled into the project in the first instance as an example. Appropriate governance relating to capital receipts would need to be followed.</p>
5.15	<p>As described above, the funding strategy requires the allocation of net surplus BLE income to support the Council's local contribution commitments associated with the LGF programme. This proposal ensures that the Council is in full compliance with the Bus Lanes Contraventions Regulations 2005, which require net surplus income to be reinvested in Transportation and Highways projects. A net surplus of £3.964m is forecast at 31 March 2016, with usage and further detail provided in Appendix A (Annex G) in respect of allocations to the Iron Lane project and prudential borrowing interest payments relating to the Dudley Road and Tame Valley Viaduct major projects.</p>
5.16	<p>In the context of the Council's local contribution commitments it is proposed that any further expansion of the bus lane enforcement operation is self-funding, with upfront capital costs resourced from prudential borrowing to be repaid over no longer than 10 years from subsequent net surplus income (using a cautious estimate of future income).</p>
5.17	<p>As stated above, a full review has been undertaken of the Council's LGF programme, which has included costs, risks, programme and splitting projects between the Transportation and Highways, and Planning and Regeneration capital programmes. The total estimated cost of the Transportation and Highways LGF programme currently stands at £175.356m. A direct comparison with the costs reported to Cabinet in March 2015 is difficult given that projects including the A34 Corridor and Longbridge have now been split between Transportation and Highways, and Planning and Regeneration in terms of composite project components. It is proposed that Cabinet notes the current project costs and profiles provided as Annex H, which supersede those previously reported and align with FBC reports either approved by Cabinet since March 2015 or that are scheduled for approval in the coming months.</p>
5.18	<p>It is further proposed that Cabinet approves an additional bid to GBSLEP for preparatory costs relating to Ashted Circus (£0.173m); Battery Way (£0.08m), Iron lane (£0.09m) and Birmingham's Sustainable Urban Extension (£0.167m). These sums remain within the overall LGF allocations for each project, but will enable the early drawdown of resources to meet the costs of preparatory activities including detailed design and land acquisition. Grant acceptance is recommended to be delegated to the Council's Section 151 Officer.</p>
5.19	<p>There are no direct procurement implications contained within this report, however, it should be noted that schemes will be delivered by the Council and works will be procured through approved frameworks or competitive tenders utilising either in house resources or partner's procurement arrangements, in accordance with Standing Orders and the Procurement Governance Arrangements. Procurement implications will be reported in individual PDD and FBC reports as per normal practise.</p>
5.20	<p>Key risks associated with the THCFS and proposed funding strategy are outlined in Appendix A (Annex F) to this report. It should be noted that a significant shortage of consultant and contractor resource in the marketplace could impact upon programme delivery and potentially increase project costs. This risk will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holder.</p>

<b>6. Evaluation of alternative option(s):</b>	
6.1	Alternative options have been explored as part of the PDD provided as Appendix A to this report, with a proposed option selected on the basis of best achieving the Council's key policies and priorities, whilst maximising delivery and minimising risks.

<b>7. Reasons for Decision(s):</b>	
7.1	To approve the Council's Transportation and Highways Capital Funding Strategy for the period 2015/16 to 2020/21 to best achieve the Council's key policies and priorities, whilst maximising delivery, minimising risks and providing alignment with the Councils proposed Capital Expenditure Programme for 2016/17 to 2018/19 as set out in the Business and Plan and Budget 2016+.
7.2	To approve a match funding strategy to enable the Council to meet its local contribution commitments arising from a number of Government and GBSLEP funding rounds including the allocation of net surplus Bus Lane Enforcement income as required by the Bus Lanes Contraventions Regulations 2005.
7.3.	To release development funding to progress projects and programmes included within the Transportation and Highways Capital Programme Strategy.

<b>Signatures</b>	<b><u>Date</u></b>
Cllr Tahir Ali – Cabinet Member for Development, Transport and the Economy	.....
Waheed Nazir Strategic Director for Economy	.....

<b>List of Background Documents used to compile this Report:</b>	
1	Council Business Plan and Budget 2015+ and 2016+
2	West Midlands Strategic Transport Plan
3	Birmingham Connected Transport Strategy
4	Birmingham Development Plan
5	Greater Birmingham and Solihull LEP Strategic Economic Plan
6	Integrated Transport Block Allocations 2015 to 2021, Department for Transport, July 2014.
7	Bus Lane Enforcement – Full Business Case – Report of the Strategic Director for Development and Culture - March 2013
8	Transportation and Highways Capital Programme 2014/15 to 2016/17 – Programme Definition Document – Report of the Deputy Chief Executive – November 2014
9	Local Growth Fund Transport and Connectivity Projects – Programme Definition Document – Report of the Deputy Chief Executive – March 2015
10	Birmingham Cycle Revolution Phase 3: Initial Project Definition Document – Report of the Deputy Chief Executive – March 2015

<b>List of Appendices accompanying this Report (if any):</b>	
1.	Programme Definition Document – Appendix A
2.	Alignment of the Transportation and Highways Capital Funding Strategy with the Council's proposed Capital Expenditure Programme for 2016/17 to 2018/19 – Appendix B
3.	Equalities Assessment Initial Screening – Appendix C

## **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) Age</li> <li>(b) Disability</li> <li>(c) gender reassignment</li> <li>(d) pregnancy and maternity</li> <li>(e) Race</li> <li>(f) religion or belief</li> <li>(g) Sex</li> <li>(h) sexual orientation</li> </ul>

## PROGRAMME DEFINITION DOCUMENT (PDD)

## 1. General Information

<b>Directorate</b>	Economy	<b>Portfolio</b>	Development, Transport and the Economy
<b>Project Title</b>	Updated Transportation & Highways Capital Funding Strategy 2015/16 to 2020/21	<b>Project Code</b>	Not applicable
<b>Programme Description</b>	<p><b>Background</b></p> <p>The Transportation and Highways Capital Funding Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy. The THCFS is also relevant to the Future Council programme and proposals contained within the Sustainable Neighbourhoods package.</p> <p>In the context of the vision for an inclusive city, the THCFS has a strong focus on supporting the Council's core mission to 'work together to create a fair, prosperous and democratic city'. In addition, the programme seeks to make a significant contribution towards the key priorities of safety, businesses, sustainability, unemployment and engagement/influence by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.</p> <p><b>Capital Funding</b></p> <p>The Government allocates capital funding for improving and maintaining the transportation and highway networks through the Local Transport Capital Settlement process. Specific annual allocations are determined through this mechanism, with resources allocated directly to the West Midlands Integrated Transport Authority (WMITA), who determine a reallocation of Integrated Transport Block (ITB) funding to Metropolitan District Councils and Centro. Funding for highway maintenance is 'passported' directly to District Councils, with the exception of Birmingham, whose allocation is deemed to be included within funding arrangements for the Highways Maintenance and Management Private Finance Initiative (PFI).</p> <p>The WMITA as the responsible body for the funding has allocated ITB funding to Birmingham and the other Metropolitan District Councils to be used for 'small transport improvement projects'. This is in accord with the intention of Government, that the funding be used for such projects to help Local Authorities stimulate local economies by reducing congestion, improving road safety, improving accessibility and supporting the use of active and sustainable modes of travel. The implications of WMITA being dissolved and relevant functions becoming part of the West Midlands Combined Authority (WMCA) are not yet known.</p> <p>The THCFS has previously been updated to cover a rolling three year period to accord with the approach adopted by the Council in producing its Capital Expenditure Programme (CEP). In the context of longer term funding programmes such as the Local Growth Fund and the need arising from the Kerslake report for the Council to produce a long term financial strategy this has now been increased to a 6 year rolling period. The THCFS has also been aligned with the Council's proposed CEP for 2016/17 to 2018/19 to ensure consistency with the Business Plan and Budget 2016+.</p> <p>A total of £5.159m of new ITB capital funding has been allocated through the above process to Birmingham for integrated transport projects in 2015/16 and 2016/17. Forecasts issued by the Department for Transport (DfT) indicate that this annual allocation will remain constant until 2020/21. Implications associated with the West Midlands Combined Authority (WMCA) on these allocations are again not known at this time. Such funding is significantly supplemented by bidding activities to Government and the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) for funding including Local Growth Fund (LGF), Cycle City Ambition Grant (CCAG) and Enterprise Zone (EZ). The total estimated capital cost of projects and programmes utilising these resources over the 6 year period covered is £253.916m.</p>		

## **Programme Structure**

The structure of the THCFS remains as agreed previously by Cabinet and comprises the following programmes.

### **Major Schemes and Local Growth Fund**

This programme contains larger projects targeting economic growth across the city, specifically those to be funded from the Local Growth Fund. It also contains residual major schemes from previous Government funding rounds and projects associated with the Metro extension to Centenary Square. ITB funding allocated in this programme forms part of match funding arrangements discussed later in this report.

### **Economic Growth and Congestion Reduction Programme**

The Economic Growth and Congestion Reduction Programme (EGCRP) is split into two sub programmes comprising: Economic Growth Zones (EGZ) and Enabling Growth and Tackling Congestion (EGTC). The EGZ sub programme will focus on the provision of transport infrastructure to enable and unlock growth.

The EGTC sub programme will focus on projects to enable growth and tackle congestion outside of the Economic Growth Zones, and will comprise measures such as larger junction improvements, controlled parking zones and a programme of smaller measures to address congestion and public transport issues raised by stakeholders.

### **Walking, Cycling and Accessibility Programme**

The Walking, Cycling and Accessibility Programme is split into two elements comprising: Walking and Cycling Schemes and Local Accessibility Schemes. It is recognised that the use of sustainable modes of transport can significantly contribute towards reducing congestion, improving air quality improving accessibility and also improving health and physical fitness. The Walking and Cycling Schemes programme will take forward key projects as detailed in the Council's Walking and Cycling strategies including new pedestrian and cycling routes, new cycle stands, new cycle hubs and bikes, and smaller measures identified by stakeholders. Significant ITB resources in this programme provide the match funding element of the BCR programme, which includes the rollout of 20mph limits across the city.

It is proposed that the Local Accessibility Schemes programme continues, which seeks to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. In support of the localism agenda, schemes will be identified and developed in partnership with Districts, with individual projects to be agreed in consultation with relevant portfolio holders. Prioritisation criteria and governance arrangements are provided in Annex A to this PDD.

### **Road Safety Programme**

The Road Safety Programme targets the continued reduction of recorded killed, seriously injured and slight accidents across the City to maintain the positive downward trend achieved by both Birmingham and the West Midlands Metropolitan area.

For consideration for inclusion into the Local Safety Schemes sub element of the programme, locations would normally have at least nine slight collisions over a three year period, although consideration is given to sites with a higher proportion of killed or serious injury collisions. In addition, further weight is given to locations or sites where there is a high concentration of collisions involving pedestrians or cyclists, reflecting the Council's road user hierarchy. Further information on prioritisation is provided in Annex B, along with governance arrangements.

Sites listed in Annex H (full project and financial summary) have been prioritised on a value for money basis, which looks at the benefit to cost ratios of schemes in the context of implementation costs and associated accidents savings based on the current level of accidents.

The Road Safety Programme also contains a Safety Cameras sub programme, which seeks to manage

and resource transitional arrangements associated with the fixed site operation across the City.

This programme will align with the new Birmingham Road Safety Strategy set to be adopted by the Council in summer 2016.

### **Safer Routes to Schools Programme**

It is proposed to continue the successful Safer Routes to Schools Programme (SRTS) over the next 6 financial years. Schools proposed for named highway engineering schemes are required to have an up to date School Travel Plan in place and then are prioritised in accordance with the safety and sustainability criteria provided as Annex C to this PDD (also includes governance arrangements). In summary, schools are prioritised on safety grounds by reviewing the school population size and road accident levels in the vicinity. Schools prioritised on sustainability grounds are determined by the following:

- School population;
- Proportion of pupils living close enough to walk to school, but choosing not to;
- Particular requirements for highway measures identified by the school in their travel plan;
- Participation in sustainable travel initiatives and projects such as 'Walk Once a Week or 'Bike It'.

In addition to the above projects, it is proposed that a programme of 'smaller enhancement measures' be implemented at existing schools with a SRTS scheme on the basis of requirements identified during the update of individual School Travel Plans.

### **Network Integrity and Efficiency**

The Network Integrity and Efficiency programme will continue a number of projects to enhance and protect the highway network. These include Aston Road North bridge, standards compliance and de-cluttering works.

The programme will also support the localism agenda through the provision of a £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety (including 20mph limits), improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities. All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward utilised on development and implementation fees. Further information on prioritisation criteria and governance arrangements is provided in Annex D.

### **Infrastructure Development**

The Infrastructure Development programme focuses upon activities to develop future year programmes, specifically feasibility, design and data gathering tasks to enable an overall rolling THCFS. In addition, the funding enables the development of new major schemes to be funded from LGF or other resources from 2016/17 onwards. Should projects developed in this and other programmes be abortive, expenditure will represent a revenue cost to the promoting Directorate.

A summary of ITB programme allocations is shown below.

As part of the below allocation of ITB it is proposed that Cabinet approves development funding of £0.905m in 2015/16 and £1.120m in 2016/17. A breakdown is provided as Annex E.

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ITB Programme Allocations	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's
Major Schemes and Local Growth Fund	1270	872	1588	60	2162	2000
Economic Growth	229	1060	360	735	485	785
Walking, Cycling and Local Accessibility	1990	1309	1481	2634	782	644
Road Safety	371	488	300	300	300	300
Safer Routes to Schools	260	300	300	300	300	300
Network Integrity and Efficiency	514	605	605	605	605	605
Infrastructure Development	525	525	525	525	525	525
<b>Total</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>	<b>5159</b>

### **Funding Strategy**

The Council has been highly successful in securing external grant resources to support and expand the THCFS during 2014/15 and 2015/16. In the competitive context of external bidding rounds the Council has committed to a significant level of 'local funding contribution', particularly relating to the LGF and Birmingham Cycle Revolution (BCR) programmes approved by Cabinet in March 2015. Given the short timescales and limited scheme detail available at the time of bid submissions (and Project Definition Document stage), detailed work has been undertaken to refine scheme detail and costs during 2015/16. This has been a complex process and has also led to a review of earlier stages of BCR, schemes included within the DfT's previous arrangements for major transport schemes and identification of other funding pressures in the THCFS totalling £16.974m as shown below.

Pressure	£000's
Ashted Circus	717
BCR1	1,945
BCR2	1,360
BCR3	6,525
Chester Road	1,000
Dudley Road – Development	500
Five Ways	175
Heartlands Spine Road	200
Iron Lane	2,692
Spring Hill Circus	175
Tame Valley Viaduct – Development	1,685
<b>Total Pressure</b>	<b>16,974</b>

In this context a funding strategy has been developed to address both the local contribution requirement and funding required to meet current pressures. In addition, the strategy addresses development costs associated with taking provisionally approved LGF projects to the point of business case submission to DfT (Tame Valley Viaduct and Dudley Road). Resourcing is broken down below noting that funding for the A45 cycling elements of BCR3 may not come directly to the Council as a specific funding resource.

Funding	£000's
Previous Years ITB	2,561
New ITB	3,541
Corporate Capital Resources	1,725
SCE	688
S106	200
Bus Lane Enforcement	1,000
LGF Development Cost (Provisional Allocation)	500
Additional LGF	3,409
A45 Sprint/HS2 Cycle Route Alignment*	3,000
EZ	350
<b>Total Funding</b>	<b>16,974</b>

The funding strategy proposes the following resources to fund the pressure:



The pressures associated with BCR 1, BCR 2, BCR3, Heartlands Spine Road and Tame Valley Viaduct Development will be funded as follows:

- £6.990m to be resourced from unallocated previous years ITB (£2.561m); new ITB (£3.541m) top sliced as agreed by Cabinet previously; Supported Capital Expenditure (£0.688m) residual resources not required for the now complete Hagley Road Bus Showcase project; and Section 106 (£0.2m) windfalls;
- £3.000m from the alignment of the A45 cycling elements of BCR3 to be reviewed and aligned with the A45 SPRINT and A45 High Speed Two cycle route proposals; and
- £1.725m corporate capital funding to be provided in 2017/18 (£0.865m) and 2018/19 (£0.860m) to support Birmingham Cycle Revolution Phase 3, for subsequent repayment in 2019/20 from new ITB resources.

The remaining pressures will be funded as follows:

- £3.409m additional funding applications for LGF resources to be submitted to GBSLEP (£1.0m Chester Road, £1.692m Iron Lane and £0.717m Ashted Circus);
- £1.000m of net surplus Bus Lane Enforcement (BLE) income to be allocated to the Iron Lane project in 2016/17;
- £0.500m development costs for Dudley Road (£0.05m 15/16; £0.150m 16/17 and £0.3m 17/18) to be sought from the DfT via the GBSLEP as part of the provisional LGF allocation for this project; and
- £0.350m to cover additional costs expected on Spring Hill Circus (£0.175m) and Five Ways (£0.175m) to be sought from GBSLEP Enterprise Zone resources in the form of a programme virement from the Navigation Street Link project, in accordance with EZ governance arrangements.

It is proposed that this funding strategy is updated regularly and revised as necessary with the relevant portfolio holder, as particular risks will need to be managed around external funding applications and ensuring the alignment of the A45 cycling proposals with the A45 SPRINT and High Speed Two cycle route proposals.

Expenditure approvals for the above projects and detail around cost variances will be handled at a project level in accordance with the Council's Gateway and Related Financial Approval Framework. Future THCFs reports will also be presented to Cabinet before the start of each financial year to ensure alignment with the Council's CEP.

#### **Local Funding Contributions required to deliver Provisionally Approved LGF Projects**

The delivery of the Tame Valley Viaduct and Dudley Road major projects are dependent upon approval by the DfT rather than GBSLEP. On the basis of current estimates the Council will be required to provide a local funding contribution of £16.611m towards these projects split £13.097m (Tame Valley Viaduct) and £3.514m (Dudley Road). This contribution is within the range expected by the DfT for major schemes (between 10% and 20% of overall project costs) and will be required in full in 2020/21 and levers a total of £94.450m from the LGF. Given the complexity of the Tame Valley Viaduct project and the inherent risks, dialogue is currently under way with the DfT as to an appropriate delivery mechanism for the scheme.

To enable funding bids to be submitted to the DfT (which will be subject to specific PDD reports covering all relevant detail) it is now necessary to establish a funding strategy in respect of this significant local contribution requirement. As such, it is proposed to establish the agreed principle of prudential borrowing in 2020/21 for these projects at a total estimated sum of £16.611m. It is further proposed that this sum be repaid over a 10 year period, with annual repayments of £2.074m (interest and principal). Principal repayments will be resourced through a continued top slice of the Council's ITB from 2020/21, while net surplus BLE income will cover interest charges. Where possible, other grants and resources that may become available over this period will be used to either a) reduce the overall quantum of prudential borrowing required; or b) offset the amount of ITB top sliced to enable the delivery of other projects. It is proposed that capital receipts arising from the disposal of land acquired to deliver the Dudley Road project (from the LGF) should be recycled into the project in the first instance as an example. Appropriate governance relating to capital receipts would need to be followed.

### **Bus Lane Enforcement – Surplus Income and Future Scheme Expansion**

As described above, the funding strategy requires the allocation of net surplus BLE income to support the Council's local contribution commitments associated with the LGF programme. This proposal ensures that the Council is in full compliance with the Bus Lanes Contraventions Regulations 2005, which require net surplus income to be reinvested in Transportation and Highways projects. A net surplus of £3.964m is forecast at 31 March 2016, with usage and further detail provided in Annex G in respect of allocations to the Iron Lane project and prudential borrowing interest payments relating to the Dudley Road and Tame Valley Viaduct major projects.

In the context of the Council's local contribution commitments it is proposed that any further expansion of the bus lane enforcement operation is self-funding, with upfront capital costs resourced from prudential borrowing to be repaid over no longer than 10 years from subsequent net surplus income (using a cautious estimate of future income).

### **Local Growth Fund – Transportation and Highways**

As stated above, a full review has been undertaken of the Council's LGF programme, which has included costs, risks, programme and splitting projects between the Transportation and Highways, and Planning and Regeneration capital programmes. The total estimated cost of the Transportation and Highways LGF programme currently stands at £175.356m. A direct comparison with the costs reported to Cabinet in March 2015 is difficult given that projects including the A34 Corridor and Longbridge have now been split between Transportation and Highways, and Planning and Regeneration in terms of composite project components.

It is proposed that Cabinet notes the current project costs and profiles provided as Annex H, which supersede those previously reported and align with FBC reports either approved by Cabinet since March 2015 or that are scheduled for approval in the coming months.

It is further proposed that Cabinet approves an additional bid to GBSLEP for £0.510m preparatory costs relating to Ashted Circus (£0.173m); Battery Way (£0.080m), Iron lane (£0.090m) and Birmingham's Sustainable Urban Extension (£0.167m). These sums remain within the overall LGF allocations for each project, but will enable the early drawdown of resources to meet the costs of preparatory activities including detailed design and land acquisition. Grant acceptance is recommended to be delegated to the Council's Section 151 Officer.

### **Revenue Implications**

New capital transport projects by nature attract additional ongoing costs in respect of maintaining new highway assets. For projects approved in 2015/16 and 2016/17 an approved annual corporate policy contingency allocation is in place to accommodate inventory growth (in 2015/16 this is £0.500m and in 2016/17 £0.750). All projects and schemes will need to identify revenue maintenance commitments and funding as part of the PDD/FBC approval process.

### **Consultation**

Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity who support the proposals contained within this report.

Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.

Full and detailed formal consultation will be undertaken as part of individual Project Definition Documents (PDDs) Full Business Cases (FBCs).

	<p><b><u>Procurement</u></b></p> <p>There are no direct procurement implications contained within this report, however, it should be noted that schemes will be delivered by the Council and works will be procured through approved frameworks or competitive tenders utilising either in house resources or partner's procurement arrangements, in accordance with Standing Orders and the Procurement Governance Arrangements. Procurement implications will be reported in individual PDD and FBC reports as per normal practise.</p> <p><b><u>Equalities Analysis</u></b></p> <p>An initial screening for an Equality Assessment (EA) has been undertaken and has concluded that a full EA is not required at this time, with no adverse impacts on protected groups. This position will be reviewed for each composite project at FBC stage (or full PDD stage for the provisionally approved projects) as necessary. The initial screening is provided as Appendix C to the executive report that accompanies this PDD.</p> <p><b><u>Risks</u></b></p> <p>Key risks are outlined in Annex F of this PDD document. It should be noted that a significant shortage of consultant and contractor resource in the marketplace could impact upon programme delivery and potentially increase project costs. This risk will be managed by senior Transportation and Highways officers in conjunction with the relevant portfolio holder.</p>
<b>Links to Corporate and Service Outcomes</b>	The Transportation and Highways Capital Funding Strategy (THCFS) performs an essential role in supporting a range of projects and programmes that contribute towards achieving the Council's key policies and priorities as set out in the Council Business Plan and Budget (2015+ and 2016+), West Midlands Strategic Transport Plan, Birmingham Development Plan and the Birmingham Connected transport strategy.
<b>Project Benefits</b>	In the context of the vision for an inclusive city, the THCFS has a strong focus on supporting the Council's core mission to 'work together to create a fair, prosperous and democratic city'. In addition, the programme seeks to make a significant contribution towards the key priorities of safety, businesses, sustainability, unemployment and engagement/influence by reducing congestion, enabling growth, improving road safety, improving accessibility, improving air quality and encouraging active and sustainable modes of travel.
<b>Project Deliverables</b>	The THCFS will deliver a significant amount of transport infrastructure over a 6 year period comprising: junction improvements; measures to reduce congestion; bespoke asset life extending maintenance to structures; cycling and walking schemes; road safety improvements; local accessibility projects; safer routes to schools schemes; and a pipeline of future projects including the Council's next programme of major transport schemes.

Key Project Milestones		Planned Delivery Dates
Approval of PDD		February 2015
Approval of Full Business Cases (FBC)		Rolling programme
Seek Tenders & Evaluation		Rolling programme
Start on site		Rolling programme
Completion on site		April 2016 to April 2021
Post Implementation Reviews		April 2017 to April 2022
<b>Dependencies on other projects or activities</b>	<ul style="list-style-type: none"> <li>• Approval of GBSLEP business cases;</li> <li>• Approval of business cases by DfT;</li> <li>• Securing match funding contributions;</li> <li>• Securing private contributions;</li> <li>• Acquiring necessary third party land;</li> <li>• Securing funding for revenue implications;</li> <li>• Completing procurement and tendering processes;</li> <li>• Securing access to the public highway;</li> <li>• Phasing works in accordance with other works on the highway;</li> <li>• Securing necessary legal agreements and completing grant agreements; and</li> <li>• Contractors and subcontractors availability.</li> </ul>	
<b>Achievability</b>	Similar programmes have been completed previously by the Council. Experienced	

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	contractors with a track record of delivering similar projects will be appointed as part of necessary procurement processes.		
<b>Project Managers</b>	To be confirmed as part of individual PDD and FBC reports.		
<b>Project Accountant</b>	Michele Garrison		
<b>Project Sponsors</b>	Anne Shaw – Acting Assistant Director – Transportation and Connectivity John Blakemore - Director of Highways and Resilience		
<b>Proposed Project Board Members</b>	To be confirmed		
<b>Head of City Finance (HoCF)</b>	Simon Ansell	<b>Date of HoCF Approval</b>	4/2/16
<i>Other Mandatory Information</i>			
• <b>Has project budget been set up on Voyager?</b>			Yes
• <b>Issues and Risks updated</b> <i>(Please attach a copy to the PDD and on Voyager)</i>			Yes

## 2. Option Appraisal

<b>Option 1</b>	<b>Discontinue Transportation and Highways Capital Projects and Programmes</b>
<b>Information Considered</b>	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, ITA and GBSLEP will not be provided or lost;</li> <li>• The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources;</li> <li>• New funding would be difficult to access;</li> <li>• Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities;</li> <li>• Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones;</li> <li>• The City Council's economic growth zones will not be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety may not be achieved;</li> <li>• Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct;</li> <li>• Existing commitments and pressures would still need to be funded;</li> <li>• Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>• Resources will not align with the Council's CEP for 2016/17 to 2018/19;</li> <li>• Abortive 'sunk' development costs that would represent a revenue pressure;</li> <li>• Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>• Failure to deliver the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan;</li> <li>• Broader reputational risks for the Council and senior members;</li> <li>• Likely to be politically and publically unacceptable; and</li> <li>• Severe staff implications due to loss of capital funding and fee recovery.</li> </ul> <p><b>Benefits</b></p>

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	<ul style="list-style-type: none"> <li>• Additional maintenance implications may not be incurred;</li> <li>• Potential disruption may be avoided by not delivering key improvements;</li> <li>• Some match funding could be used for alternative purposes.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity.
<b>Recommendation</b>	Do not proceed
<b>Principal Reason for Decision</b>	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability.

<b>Option 2</b>	<b>Continue Transportation and Highways Capital Projects and Programmes, but do not implement proposed Funding Strategy</b>
<b>Information Considered</b>	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b><u>Limitations</u></b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, ITA and GBSLEP will not be provided or lost;</li> <li>• The Council will not be able to demonstrate the ability to manage and deliver government transport funding, potentially affecting the further devolution of resources;</li> <li>• New funding would be difficult to access;</li> <li>• Existing commitments and pressures would still have to be funded;</li> <li>• Transportation and Highways works to enable growth may not be delivered and restrict the creation of new employment opportunities;</li> <li>• Transportation and Highways works to enable growth may not be delivered within necessary timescales, reducing competitiveness and failing to build confidence in key growth zones;</li> <li>• The City Council's economic growth zones will not be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety may not be achieved;</li> <li>• Would dissolve existing strategy to fund large projects such as Tame Valley Viaduct and pass the full funding burden to the Council;</li> <li>• Existing Government and GBSLEP funding could be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>• Abortive 'sunk' development costs that would represent a revenue pressure;</li> <li>• Net surplus BLE income may not be used in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>• Resources will not align with the Council's CEP for 2016/17 to 2018/19;</li> <li>• Failure to deliver the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan;</li> <li>• Broader reputational risks for the Council and senior members;</li> <li>• Likely to be politically and publically unacceptable; and</li> <li>• Staff implications due to loss of capital funding and fee recovery.</li> </ul> <p><b><u>Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Additional maintenance implications may not be incurred;</li> <li>• Potential disruption may be avoided by not delivering key improvements;</li> <li>• Some match funding could be used for alternative purposes;</li> <li>• Focus could be provided on smaller transport improvements outside of the LGF or BCR programmes.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant

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	Director Transportation and Connectivity.
<b>Recommendation</b>	Do not proceed
<b>Principal Reason for Decision</b>	Failure to deliver the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Exposes the Council to severe funding risks in terms of clawback and failure to secure external resources such as the £72m provisionally allocated for Tame Valley Viaduct.

<b>Option 3</b>	<b>Continue Transportation and Highways Capital Projects and Programmes and implement proposed Funding Strategy</b>
<b>Information Considered</b>	Council Business Plan and Budget 2015+ and 2016+; West Midlands Strategic Transport Plan; Birmingham Connected Transport Strategy; Birmingham Development Plan; Greater Birmingham and Solihull Strategy for Growth and Strategic Economic Plan; Draft Birmingham Road Safety Strategy; Relevant approved PDDs and FBCs; Member and Senior Officer Consultation; Correspondence from elected members, MPs and members of the public; congestion data; road safety data; census data; Integrated Transport Authority Reports; West Midlands Devolution Deal.
<b>Pros and Cons of Option</b>	<p><b><u>Limitations</u></b></p> <ul style="list-style-type: none"> <li>• Additional maintenance implications will be incurred;</li> <li>• Disruption associated with delivering key improvements;</li> <li>• Some match funding could not be used for alternative purposes;</li> <li>• Less focus on smaller transport improvements;</li> <li>• No staffing efficiencies; and</li> <li>• Long term commitments to top slice ITB and repay prudential borrowing.</li> </ul> <p><b><u>Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Significant funding from the DfT, ITA and GBSLEP will be secured;</li> <li>• The Council can demonstrate the ability to manage and deliver government transport funding, supporting the further devolution of resources;</li> <li>• New funding could be accessed;</li> <li>• Existing commitments and pressures would be funded;</li> <li>• Transportation and Highways works to enable growth would be delivered and create new employment opportunities;</li> <li>• Transportation and Highways works to enable growth would be delivered within necessary timescales, increasing competitiveness and building confidence in key growth zones;</li> <li>• The City Council's economic growth zones will be progressed in a timely fashion;</li> <li>• Transport benefits relating to reduced congestion and improved safety will be achieved;</li> <li>• Strategy to fund large projects such as Tame Valley Viaduct maintained;</li> <li>• Existing Government and GBSLEP funding would not be at risk of clawback i.e. Cycle City Ambition Grant and LGF development funding;</li> <li>• Usage of net surplus BLE income in accordance with the Bus Lanes Contraventions Regulations 2005;</li> <li>• Resources will align and be consistent with the Council's CEP for 2016/17 to 2018/19;</li> <li>• Delivery of the Birmingham Connected Transport Strategy and new West Midlands Strategic Transport Plan;</li> <li>• No reputational risks for the Council and senior members;</li> <li>• Politically and publically acceptable; and</li> <li>• No staff implications due to loss of capital funding and fee recovery.</li> </ul>
<b>People Consulted</b>	Consultation has been undertaken with the Cabinet Member for Sustainability, Cabinet Member for Inclusion and Community Safety, Cabinet Member for Commissioning, Contracting and Improvement, Strategic Director for Major Projects, Acting Strategic Director of Place, Director of Highways and Resilience and the Acting Assistant Director Transportation and Connectivity.
<b>Recommendation</b>	Proceed
<b>Principal Reason for Decision</b>	Delivery of the Council's transport strategy and associated linkages to other agendas around economic growth, employment, health and sustainability. Risk exposure reduced in respect of securing external funding and preventing funding clawback.

#### 4. Budget Information – see annex G for project specific budget information

Detailed budget information by project, programme and funding resource is provided as Annex H to this PDD.

##### Notes – Revenue Consequences

##### Asset Management / Maintenance Implications

As part of the City Council's obligations under the Highway Maintenance and Management Private Finance Initiative (HMMPFI) contract, Highways will be formally notified of the proposed changes to the highway inventory arising from this THCFSS programme.

Consultation with Highways will be carried out to enable coordination of the proposed works with other programmed activities on the highway network.

##### **Maintenance Costs**

A high level maintenance estimate for this programme has indicated that additional average annual maintenance costs of £250,000-350,000 may arise per annum. These costs are based upon previous schemes of a similar nature, and options to further reduce these additional annual maintenance costs will be explored during the detailed design, including de-cluttering and the sourcing of commuted sums.

Where commuted sums or EZ contributions cannot be provided, such costs will be funded from provision for Highways Maintenance held within the Corporate Policy Contingency.

##### **Network Integrity Assessment**

Network integrity assessments will be carried out for the highway infrastructure to identify locations where potential maintenance savings could be made.

#### 5. Project Development Requirements/Information

<b>Products required to produce Full Business Case (FBC)</b>	<ul style="list-style-type: none"> <li>• Consultation;</li> <li>• Detailed design including drawings and estimate;</li> <li>• Road Safety Audit 2;</li> <li>• Internal liaison with key Council Officers;</li> <li>• Highways Change Notification;</li> <li>• Traffic Management Protocol and Plans;</li> <li>• NRSWA Notification;</li> <li>• Approval Reports;</li> <li>• Delegated Form of Authority for Traffic Regulation Orders;</li> <li>• Approval of GBSLEP business cases;</li> <li>• Approval of business cases by DfT;</li> <li>• Securing match funding contributions;</li> <li>• Securing private contributions;</li> <li>• Acquiring necessary third party land;</li> <li>• Securing funding for revenue implications;</li> <li>• Completing procurement and tendering processes;</li> <li>• Securing access to the public highway;</li> <li>• Phasing works in accordance with other works on the highway;</li> <li>• Securing necessary legal agreements and completing grant agreements.</li> </ul>
<b>Estimated time to complete project development</b>	<i>Rolling development</i>
<b>Estimated cost to complete project development</b>	Not applicable
<b>Funding of development costs</b>	Not applicable

<b>Planned FBC Date</b>	Rolling	<b>Planned Date for Technical Completion</b>	Phased between April 2016 and April 2021
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**List of Annexes accompanying this PDD:**

**ANNEX A – LOCAL ACCESSIBILITY SCHEMES PRIORITISATION AND GOVERNANCE**

**ANNEX B – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE**

**ANNEX C – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE**

**ANNEX D – WARD MINOR TRANSPORT MEASURES**

**ANNEX E – BREAKDOWN OF DEVELOPMENT COSTS**

**ANNEX F – HIGH LEVEL PROGRAMME RISK ASSESSMENT**

**ANNEX G – BUS LANE ENFORCEMENT - FINANCIAL DETAIL**

**ANNEX H – FINANCIAL SUMMARY BY PROJECT AND PROGRAMME (SEPARATE ATTACHMENT)**

## **ANNEX A – LOCAL ACCESSIBILITY SCHEMES PRIORITISATION AND GOVERNANCE**

It is proposed that the Local Accessibility Schemes sub programme be continued during 2015/16 and 2016/17, which seeks to improve accessibility for local people wishing to access education, employment, retail and leisure facilities in their local area. In support of the localism agenda, schemes will be identified and developed in partnership with Districts, with individual projects to be agreed in consultation with the Cabinet Member for Development, Transport and the Economy.



Schemes within this sub programme will be required to demonstrate their ability to reduce congestion, improve accessibility, improve road safety and improve air quality at a local level.

Individual schemes, which are all estimated to have a value either below £200k or between £200k and £1m, will progress to PDD and FBC stage to be approved by the relevant Cabinet Member jointly with the Chief Officer, without the requirement for an overarching programme PDD.

### ANNEX B – LOCAL SAFETY SCHEMES PRIORITISATION AND GOVERNANCE

The development of a Local Safety Schemes programme ensures that the Council complies with the road safety duties detailed in the Highways Act 1980.

Policy SS1 of the West Midlands Local Transport Plan 2011 'seeks to reduce further casualties resulting from road traffic collisions' and the Local Safety Schemes programme contributes towards Target LTT9: Reduce annual Killed and Seriously Injured (KSI) casualties by 17.3% between the baseline 2005-09 average and the 2011-15 average.

Accident studies are carried out at the following location types: priority junctions, signal junctions, roundabouts, route lengths and local areas. Injury accident data collected by the Police is compiled from the Spectrum system for each location. Statistical tests are then carried out of the data to determine the following:

- Locations with at least 9 accidents in the past 3 years;
- Chi Squared tests to determine locations with significant numbers of KSI (Killed or Seriously injured) accidents or accidents involving vulnerable road users (pedestrians and cyclists); and
- Poisson analysis is used to determine locations with significant recent increases in accident number.

For all locations, a treatable accident pattern is required. Feasibility studies are carried out to determine a solution to the problem, identify accident savings and produce a First Year Rate of Return (FYRR). Schemes are prioritised based on the FYRR.

Individual schemes, which are all estimated to have a value below £200k, will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.

### ANNEX C – SAFER ROUTES TO SCHOOLS – SCORING CRITERIA FOR SAFETY AND SUSTAINABILITY STRANDS/GOVERNANCE

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	Percentage Weighting of Individual Areas
1	Child accident rate (aged 3-16) within 1 km radius of	5	High number of accidents/severity levels (Fatality, 5 or more serious accidents or 20 or more slight accidents)	5	25%

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	the school over the last three years	3	Intermediate number of accidents/severity levels (Any serious or 10 or more slight accidents)		
		1	Lower number of accidents/severity levels (1 or more slight accident)		
2	Child accident rate (3-16) outside the school over the last three years, this includes adjacent roads.	5	Any serious accident on adjacent roads over the last three years		
		3	If there were no serious but two or more slight accidents over three years		
		1	Only one slight accident over three years	5	25%
3	What is the pedestrian accident rate outside the school over the last three years (adjacent roads)	5	Any fatality or 2 or more serious accidents on adjacent roads over the last three years		
		3	One serious or two or more slight accidents over three years		
		1	Only one slight accidents over three years	5	25%
4	School population including joint bids	5	Over 1500 pupils		
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils	5	25%

## Sustainability Strand

No.	Criteria	Points	Points Criteria	Maximum Points Awarded	% Weighting of Individual Areas
1	School Population	5	Over 1500 pupils		
		4	Over 1250 pupils		
		3	Over 1000 pupils		
		2	Over 500 pupils		
		1	Over 250 pupils	5	20%
2	Potential to improve sustainable mode of travel Calculated by: (Children living within 1 km of the school / 2 km secondary) - (% already travelling by sustainable modes i.e. walk, bus, train, cycle, car share.)	5	Over 40%		
		4	30-39%		
		3	20-29%		
		2	10-19%		
		1	1-9%	5	20%
3	Particular school requirements	5	Recognised need for a particular facility to make sustainable travel more attractive through school travel plan or other form of communication.		
		3	Generalised reference to facilities required and some supportive evidence of potential.	5	20%
4	Part of a wider engineering / maintenance project or a sustainable travel scheme to	5	<p>Page 494 of 788</p> <p>Listed as a school within project area.</p>	5	20%

## APPENDIX A

	reduce CO2 emissions and reduce congestion e.g. LSTF Projects etc				
5	Participation in sustainable travel and road safety initiatives.	5	Participation in Walk once a Week, Walking Bus, Bike It or another sustainable travel scheme requiring long term school commitment.	5	20%
		2	W2SW, Bikeability Training, Road Safety Training or Heath Projects.		

Individual schemes will progress to PDD and FBC stage to be approved by the Chief Officer, without the requirement for an overarching programme PDD.

### ANNEX D – WARD MINOR TRANSPORT MEASURES

This programme will support the localism agenda through the provision of an annual £0.5m budget to address minor transport issues identified at ward level. Works within this programme should demonstrate a contribution towards reducing congestion, improving road safety, improving accessibility and improving air quality, with greater flexibility provided in terms of value for money to reflect local priorities.

The highest priority will be given to disabled bay markings and dropped crossings to facilitate mobility for the disabled as there is a statutory duty to fulfil these needs. The balance of the resources can be used for a range of improvements including: prescribed and non-prescribed carriageway markings and traffic signs, traffic regulation orders, road safety measures, minor highway realignment, double kerbing, parking measures, minor walking and cycling schemes and small public transport improvement. The provision of “no ball games” signs and “neighbourhood watch” signs are specifically excluded.

All works should be undertaken within the public highway, with no more than £2,500 of the £12,500 provided to each ward utilised on design and implementation fees.

Individual schemes, which are all estimated to have a value below £200k, will progress to FBC stage for each ward to be approved by the Chief Officer, without the requirement for an overarching programme PDD. Approval will only be agreed upon confirmation that ward councillors have been fully consulted in terms of the priority measure/s to be progressed and their support of specific proposals.

### ANNEX E – BREAKDOWN OF DEVELOPMENT COSTS

	2015/16	2016/17
	£000's	£000's
<b>Development Costs</b>		
Enabling Growth and Tackling Congestion - Parking Schemes	130	-
Enabling Growth and Tackling Congestion - Future Schemes	35	300
Definitive Map Statement	75	75
Walking Measures	-	70
Local Safety Schemes	20	25
Safer Routes to Schools Schemes	20	25
Ward Minor Measures	100	100
Infrastructure Development	525	525
<b>Total Expenditure</b>	<b>905</b>	<b>1,120</b>

## APPENDIX A

### TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME 2015/16 TO 2020/21 HIGH LEVEL PROGRAMME RISK ASSESSMENT

ANNEX F

No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage			Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure				Impact	Likelihood	Exposure		
1	Insufficient funding to fully deliver programme	PHIL EDWARDS	High	Medium	High	Detailed programme and cost management. New sources of funding obtained	High	Medium	High	Medium	High	Same	
2	Objections from key consultees	VARINDER RAULIA	High	Medium	Medium	The scheme package has been discussed with senior members. Some schemes have already been consulted upon.	High	Medium	High	Low	Medium	Better	
3	Skills, capacity and capability insufficient to fully deliver programme	VARINDER RAULIA	High	Medium	High	Recruitment, training and use of consultant's framework put in place.	High	Medium	Medium	Medium	Medium	Better	
4	Contractors experience financial difficulties.	Contractor	High	Low	Medium	It is proposed to procure the works through current frameworks, in house resources or partner frameworks. Financial checks will be carried out during tender evaluation processes.	High	Low	High	Low	Medium	Same	
5	Insufficient revenue resources to fully cover inventory growth	ALISON JARRETT	High	Medium	High	Revenue provision subject to Corporate/Directorate review.	High	Medium	High	Medium	High	Same	
6	Land Ownership.	VARINDER RAULIA	Medium	Medium	Medium	Land ownership has been reviewed. Some projects may require third party land or a CPO	Medium	Medium	Medium	Medium	Medium	Same	
7	Failure to meet grant conditions with funding being withheld.	VARINDER RAULIA	High	Low	Medium	Projects will be effectively managed to address issues affecting delivery and consequentially grant funding.	Medium	Low	Medium	Low	Low	Better	
8	External match funding bids unsuccessful	PHIL EDWARDS	High	High	Medium	Close liaison being undertaken with external funders.	High	High	High	High	Medium	Same	Reprogramming to revised resources
9	Legal Agreements/Funding agreements with partners	VARINDER RAULIA	High	Low	Low	Most agreements in place. Ongoing dialogue with GBSLEP	Medium	Low	Medium	Low	Low	Better	

## APPENDIX A

No	Risk Description	Owner / Manager	Inherent Risk			Measures in place to manage	Residual Risk			Status	Further Action
			Impact	Likelihood	Exposure		Impact	Likelihood	Exposure		
10	Further cost pressures identified	ANNE SHAW	High	Medium	High	Revised project board arrangements to be established in 2016/17	High	Medium	High	Same	
11	Challenge received from recipients of Bus Lane Enforcement Penalty Charge Notices	KEVIN HICKS	High	Medium	High	Legal advice obtained by Highways department	High	Low	Medium	Better	
12	A45 cycling works cannot be accommodated within A45 SPRINT proposals led by the Council and Centro	ANNE SHAW	High	Medium	High	Aligned project working arrangements established	Medium	Medium	Medium	Better	
13	Expected s106 and CIL contributions do not materialise	PHIL EDWARDS	Medium	Medium	Medium	Regular engagement with Planning Management Service.	Medium	Medium	Medium	Same	
14	Sunk development costs become abortive and a revenue pressure	ALISON JARRETT	Medium	Medium	Medium	Full application of Council GRFAF	Medium	Medium	Medium	Same	
15	Prudential Borrowing limit reached	MARTIN EASTON	High	Low	High	Close working with Financial Strategy established	High	Low	High	Same	
16	TB arrangements affected by West Midlands Combined Authority arrangements established	PHIL EDWARDS	Medium	Medium	Medium	Ongoing liaison with WMCA team and BCC leads	Medium	Medium	Medium	Same	
17	Funding clawed back by funders	PHIL EDWARDS	High	Low	High	Effective relationships being maintained with external funders	High	Low	High	Same	

## ANNEX G – BUS LANE ENFORCEMENT – FINANCIAL DETAIL

Bus Lane Enforcement (BLE) - Operational Income & Expenditure and Use of Surpluses																			
Operational Income & Expenditure	Actual Values	Estimated Values (Note 1.)																	Total £000's
	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	2021/22 £000's	2022/23 £000's	2023/24 £000's	2024/25 £000's	2025/26 £000's	2026/27 £000's	2027/28 £000's	2029/30 £000's	2030/31 £000's	2031/32 £000's	
Bus Lane Enforcement Operational Income																			
Income	3,212	1,770	1,500	1,250	1,250	1,000	1,000	1,000	1,000	750	750	500	500	500	450	450	450	450	450
Total Operational Income	3,212	1,770	1,500	1,250	1,250	1,000	1,000	1,000	1,000	750	750	500	500	500	450	450	450	450	450
Operational Expenditure																			
Employees	318	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310	310
Operational Costs	645	280	280	260	260	260	260	260	260	260	260	260	260	260	260	260	260	260	260
Total Operational Expenditure	963	590	590	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570	570
Net Operational Surplus	2,249	1,180	910	680	680	430	430	430	430	180	180	180	483	415	343	268	191	110	110
Use of Net Operating Surplus																			
Generally Contribution to Highways Improvements	300																		
Contribution to Renewal Fund (Note 2.)	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Iron Lane Outer Circle Junction Improvement			1,000																
Dudley Road/Tame Valley Viaduct Major Schemes (Note 3.)										706	648	587	524	458	390	318	243	166	85
Total Use of Net Operating Surplus	325	25	25	1,025	25	25	25	25	25	731	673	612	549	483	415	343	268	191	110
Surplus/(Deficit) at Year-End																			
Accumulated Surplus Brought Forward	1,924	1,155	885	(345)	655	405	405	405	405	(551)	(493)	(432)	(619)	(553)	(485)	(463)	(388)	(311)	(230)
Accounted Surplus Carried Forward	0	1,924	3,079	3,964	3,619	4,274	4,679	5,084	5,084	5,489	4,938	4,445	4,013	3,394	2,841	2,356	1,893	1,505	1,194
Accounted Surplus	1,924	3,079	3,964	3,619	4,274	4,679	5,084	5,489	5,489	4,938	4,445	4,013	3,394	2,841	2,356	1,893	1,505	1,194	964
Notes																			
1. Operational income and expenditure for 2015/16 has been based upon actuals as at 31st December 2015 and service estimates for the remaining three months to the year-end.																			
Operational income and expenditure beyond 2015/16 has been estimated based upon service estimates and will be subject to ongoing review.																			
2. Assumed funding to provide for the renewal of BLE system, based on a proposed renewal every 8 years at an estimated cost of £0.2m.																			
3. Dudley Road and Tame Valley Viaduct allocations represent interest payments on prudential borrowing of £16.611m which is required to meet the Council's contributions to the Schemes, as proposed in this report.																			





ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21

Summary

	ITB FUNDING (3H9)	DFT MAJOR SCHEME	DFT PINCH POINTS	ITB PREVIOUS YEARS	SCE	ENTERPRISE ZONE	SECTION 100278	Bus Lane Surplus	PRUDENTIAL BORROWING	Funding source TBC	CENTRO	LGF PREP COSTS	Cycle City Ambition Grant	LGF MAJOR	ADDITIONAL LGF PREP COST APP	ADDITIONAL LGF	Corporate Resources	TOTAL
Year	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
2015/16	5159	1516	1686	4937	119	1649	44	0	0	0	1856	1321	10105	3268	233	1000	0	32893
2016/17	5159	0	0	2801	636	801	869	1000	0	0	4184	856	9395	12044	120	0	0	37865
2017/18	5159	0	0	1578	132	2585	2684	0	0	3019	700	300	11705	17543	157	717	865	47165
2018/19	5159	0	0	0	0	0	1803	0	0	3021	3000	0	0	39363	0	1692	860	54898
2019/20	5159	0	0	0	0	0	0	0	0	0	0	0	0	43251	0	0	-1725	46885
2020/21	5159	0	0	0	0	0	3530	0	16511	0	0	0	0	9110	0	0	0	34410
Total	30954	1516	1686	9316	907	5036	8930	1000	16611	6040	9740	2477	31205	124579	510	3409	0	253916

ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21  
2015 16

2015 16														
Programme	ITB FUNDING (3H9)	DFT MAJOR SCHEME	DFT PINCH POINTS	ITB PREVIOUS YEARS	SCE Hagley Rd	ENTERPRISE ZONE	SECTION 106/278	CENTRO	LGF PREP COSTS	Cycle City Ambition Grant	LGF MAJOR	ADDITIONAL LGF PREP COST APP	ADDITIONAL LGF	TOTAL 2015/16
1. Major Schemes and Local Growth Fund	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Sub projects	Project Code													
Local Growth Fund	Ashford Circus	1516	27	1777	119	410	0	1856	972	0	2597	233	1000	11777
	Battery Way Extension		27						50			173		250
	CA-02711								100			30		130
	Dudley Road								50					50
	Iron Lane / Station Road / Flaxley Road								350		15	30		395
	Journey Time Reliability Improvements to Growth Areas	84		49							211			344
Local Growth Fund	Longbridge Highway Works								62		1381			1443
	Perry Barr Subways			50					40		360			430
	Selly Oak New Road Phase 1b								110					110
	CA-02722													
	Tame Valley Viaduct - Stage 2			1324										1324
	CA-02606								140		210			350
Local Growth Fund	Unleashing Birmingham's SUE - Minworth Island													
	CA-02710								70					70
Metro Extension / Paradise Circus	Unleashing Birmingham's SUE - Paddimore Access													
	CA-02730													
	Five Ways Signalisation					175					420			595
	Ladywell Walk													0
Metro Extension / Paradise Circus	Navigation Street Link					60								60
	CA-02703-07													
	Spring Hill Circus	9		221		175								405
	CA-02703-09													
Major Schemes	Cherster Road Improvements	1177						1806					1000	5499
	Selly Oak Relief Road			133	119									252
	CA-00923							50						
	Sutton Coldfield Bypass Maintenance Project													
	CA-02803	229	0	1659	276	0	1239	5	0	50	0	0	0	3458
	2a - Economic Growth Zones	64	0	1659	66	0	1239	0	0	50	0	0	0	3078
	Bordesley Circus	37		476	65		1033							1611
	Curzon Circle	27		60	1					50				138
	CA-02571													
	Hidden Circus			958			206							1164
	Holloway Circus			165										165
	CA-02581	165	0	0	210	0	0	5	0	0	0	0	0	380
Future Schemes	Enabling Growth and Tackling Congestion													
	Kings Heath High Street	15												15
	CA-02777													
	Inner Circle / Route 8	10												10
	Stratford Road / Highgate Road													
	CA-01563	5												5
	Washwood Heath / Brondford													
	Yew Tree	5					5							5
	CA-02408													
	From Prey yrs													5
	CA-02538													0
	Parking / Management	Bus Lane Enforcement - Expansion												
CA-02552				40										40
Digbeth Area CPZ		50												50
Edington CPZ		30		15										45
Harborne Parking Measures				35										35
CA-02245														
Jewellery Quarter CPZ		30		1										31
CA-01010														
St Andrews CPZ				100										100
Waterworks Road Parking		5		3										8
CA-02767														
Westside CPZ		15		16										31
CA-02393														
3. Walking, Cycling and Local Accessibility	Birmingham Cycle Revolution Phase 1	1990	0	0	1637	0	0	39	349	10055	671	0	0	14741
	CA-02526													
	Birmingham Cycle Revolution Phase 2	1990	0	0	1629	0	0	39	349	10055	671	0	0	14733
	CA-02714	671		269						8755				9695
	Birmingham Cycle Revolution Phase 3			101							671			1121
	CA-02752	743								1000				1743
	Cycle Parking Stands			2										7
	CA-02753	5												
	Definitive Map Statement	75		24										75
	CA-01459													
	Walking Improvement Fund													
	CA-02636/2217													
LSIF	466		1233			39			300				2068	
CA-02102														
3b. Local Accessibility	Castle Road Zebra	0	0	8	0	0	0	0	0	0	0	0	0	8
	CA-02674													
	Olton Boulevard East / Dolphin Lane Toucan			3										3
CA-02673				5										5



ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21  
2016-17

2016-17														
Programme	Sub projects	Project Code	ITB FUNDING (3HA)	ITB PREVIOUS YEARS	ENTERPRISE ZONE	SECTION 106/278	DfT SCE	Bus Lane Surplus	CENTRO	LGF PREP COSTS	Cycle City Ambition Grant	LGF MAJOR	ADDITIONAL LGF PREP COST APP	TOTAL 2016/17
1. Major Schemes and Local Growth Fund			£000's 872	£000's 1976	£000's 340	£000's 869	£000's 0	£000's 1000	£000's 2884	£000's 480	£000's 0	£000's 10440	£000's 120	£000's 18981
	Asted Circus	CA-02569	50	21	300							3129	50	3500
	Battery Way Extension, Tyseley	CA-02711												
	Dudley Road	CA-02715								150				150
Local Growth Fund	Iron Lane / Station Road / Flaxley Road	CA-02709	500	655				1000				961	60	3176
	Journey Time Reliability Improvements to Growth Areas	CA-02713	50									250	300	300
	Longbridge Connectivity Scheme - Highways Improvements	CA-02712				869						3258		4127
	Perry Barr Subways	CA-02376	72	32								200		304
	Selly Oak New Road Phase 1b	CA-02722		20						90				110
	Tame Valley Viaduct - Stage 2	CA-02606		1000										1000
	Tame Valley Viaduct - Stage 3	CA-02718		48										48
	Unlocking Birmingham's SUE - Minworth Island	CA-02710										1930		1930
	Unlocking Birmingham's SUE - Peddimore Access	CA-02730								240		262	10	512
														0
Metro Extension / Paradise Circus	Ladywell Walk Navigation Street Link				40									40
Major Schemes	Heartlands Spine Rd Land			200										200
	Sutton Coldfield Bypass Maintenance Project	CA-02710	200		461	0	100	0	1300	0	0	0	0	3084
			1060	74	461	0	0	0	1300	0	0	0	0	2995
	2a. Economic Growth Zones		217	74	461	0	0	0	1300	0	0	0	0	2652
	Bordeley Circus	CA-02570	82											82
	Hadden Circus	CA-02572	75	38	69									182
	Holloway Circus	CA-02581	60	36	392				1300					1788
	2b. Enabling Growth and Tackling Congestion		843	0	0	0	100	0	0	0	0	0	0	943
	City Centre		100											100
	King Heath High Street	CA-02777	50											50
Future Schemes	Inner Circle / Route 8		25											25
	Stratford Road / Highgate Road	CA-01563	25											25
	Washwood Heath / Bromford		50											50
	Yew Tree	CA-02408												0
	Supporting Public Transport		50											50
Parking / Management	Bus Lane Enforcement - Expansion	CA-02552					100							100
	Car Clubs		15											15
	Digbeth CPZ													0
	Erlington CPZ	CA-02229	318											318
	St Andrews CPZ	CA-02604	0											0
	Westside CPZ	CA-02363	180											180
	Waterworks Road Parking	CA-02767	30											30
	3. Walking, Cycling and Local Accessibility		1309	751	0	0	536	0	0	376	9395	1604	0	13971
	3a. Walking and Cycling		1134	751	0	0	536	0	0	376	9395	1604	0	13796
			632	751			367			376		1604		1750
Birmingham Cycle Revolution Phase 1	CA-02526													
Birmingham Cycle Revolution Phase 2	CA-02714	160											160	
Birmingham Cycle Revolution Phase 3	CA-02752	177				169				9395			9741	
Cycle Parking Stands	CA-02753	20											20	
Definitive Map Statement	CA-01439	75											75	
LSTF	CA-02102												0	
Walking Measures		70											70	
3b. Local Accessibility		175	0	0	0	0	0	0	0	0	0	0	0	175

2016-17															
Programme	Sub projects	Project Code	ITB FUNDING (SHA)	ITB PREVIOUS YEARS	ENTERPRISE ZONE	SECTION 106/278	DfT SCE	Bus Lane Surplus	CENTRO	LGF PREP COSTS	Cycle City Ambition Grant	LGF MAJOR	ADDITIONAL LGF PREP COST APP	TOTAL 2016/17	
			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
4. Road Safety	Oulton Boulevard East	CA-02673	85											85	
			488	0	0	0	0	0	0	0	0	0	488		
	4a. Safety Cameras		0	0	0	0	0	0	0	0	0	0	0	0	
		4b. Local Safety Schemes		488	0	0	0	0	0	0	0	0	0	0	488
	New Schemes		50											50	
	Gibbons Rd-Sally Oak	CA-02751	89											89	
			Lincoln Road Area package	30											30
	Shanley Lane / Gregory Avenue / Long Nuke Road	CA-02543	100											100	
			Vehicle Activated Safety Signs	30											30
	Warrick Road / Stockfield Road area	CA-02768	189											189	
	5. Safer Routes to Schools			300	0	0	0	0	0	0	0	0	0	0	300
New Schemes			172											172	
			Starbank School Sites	CA-02771	78										
Minor Measures			50											50	
	6. Network Integrity and Efficiency			605	0	0	0	0	0	0	0	0	0	605	
6a. Network Integrity and Efficiency	Asdon Road North Bridge		105	0	0	0	0	0	0	0	0	0	0	105	
	HMM/FPI Network Integrity and Safety Report Alignment/Decline	CA-02773/2567/256	50												50
			Standards Compliance	30											
6b. Ward Minor Transport Measures	Ward Minor Transport Measures		500	0	0	0	0	0	0	0	0	0	0	500	
				500											500
	7. Infrastructure Development	Birmingham Connected Infrastructure	CA-01586	525	0	0	0	0	0	0	0	0	0	525	
				250											
	Highway Improvement Lines	CA-01579	25											25	
	JDT Costs, Assessment and Data	CA-01106	250											250	
		Total		5159	2801	801	869	636	1000	4184	856	9395	12044	120	37865

ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21  
2017/18

2017/18														TOTAL 2017/18			
ITB FUNDING (PHB)		DT SCE	ITB PREVIOUS YEARS	ENTERPRISE ZONE	SECTION 106/276	Funding source TBC	CENTRO	LGF PREP COSTS	Cycle City Ambition Grant	LGF MAJOR	ADDITIONAL LGF PREP COST APP	ADDITIONAL LGF	Corporate Resources				
£000's		£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's				
Programme 1. Major Schemes and Local Growth Fund	Sub projects	1588	0	1578	2586	2484	3019	300	0	16543	157	717	0	20472			
	Ashley Circus									718		717		2682			
	Baileys Way Extension, Tysley	113		1527		157				1930				2100			
	Dudley Road							300		2700				3000			
	Iron Lane / Station Road / Flexley Road	597								3584				4151			
	Journey Time Reliability Improvements to Growth Areas	60								240				300			
	Longbridge Connectivity Scheme - Highways Improvements			51		1170								1221			
	Sally Oak New Road Phase 1b					1157				1400				2447			
	Tano Valley Viaduct - Stage 3	685								4500				4685			
	Unlocking Birmingham's SUE - Pedestrian Access						3019			1981	157			5157			
Metro Extension / Paradise					2586												
Navigation Street Link							500							3086			
Major Schemes																	
Sutton Coldfield Bypass Maintenance Project		163												163			
Future projects to be determined														0			
2. Economic Growth		360	0	0	0	0	0	200	0	0	0	0	0	560			
2a. Economic Growth Zones		0	0	0	0	0	0	200	0	0	0	0	0	200			
City Centre Enterprise Zone														0			
Future projects to be determined							200							200			
Halloway Circus		360	0	0	0	0	0	0	0	0	0	0	0	360			
2b. Enabling Growth and Tackling Congestion														0			
City Centre		75												75			
King Heath High Street														0			
Inner Circle / Route 5														0			
Stratford Road / Highgate Road														0			
Washwood Heath / Bromford														0			
Yew Tree														0			
Supporting Public Transport		75												75			
Bus Lane Enforcement - Expansion														0			
Car Clubs		10												10			
Future parking schemes		200												200			
3. Walking, Cycling and Local Accessibility		1481	152	0	0	200	0	0	11705	1000	0	0	865	15403			
3a. Walking and Cycling		1381	152	0	0	200	0	0	11705	1000	0	0	865	15303			
3a. Walking and Cycling		152												152			
Birmingham Cycle Revolution Phase 1		10								1000				1010			
Birmingham Cycle Revolution Phase 2		10												10			
Birmingham Cycle Revolution Phase 3		1052	152			200			11705				865	13974			
Cycle Parking Stands		20												20			
Definitive Map Statement		75												75			
Walking Measures		72												72			
3b. Local Accessibility		100	0	0	0	0	0	0	0	0	0	0	0	100			
Future projects to be determined														0			
4. Road Safety		300	0	0	0	0	0	0	0	0	0	0	0	300			
4a. Safety Cameras		0												0			
4a. Safety Cameras		0												0			
4b. Local Safety Schemes		300	0	0	0	0	0	0	0	0	0	0	0	300			
Future projects to be determined														0			
5. Safer Routes to Schools		300	0	0	0	0	0	0	0	0	0	0	0	300			
Future projects to be determined														0			
Larger Schemes		250												250			
Future projects to be determined														0			
Small Measures Schemes		50												50			
Minor measures														0			
8. Network Integrity and Efficiency		605	0	0	0	0	0	0	0	0	0	0	0	605			
6a. Network Integrity and Efficiency																	
Adon Road North Bridge		105	0	0	0	0	0	0	0	0	0	0	0	105			
HMRFPI Network Integrity and Safety Report Alignment Decline		25												25			
Standards Compliance		50												50			
Standards Compliance		30												30			
6b. Ward Minor Transport Measures		500	0	0	0	0	0	0	0	0	0	0	0	500			
Ward Minor Transport Measures		500												500			
7. Infrastructure Development		525	0	0	0	0	0	0	0	0	0	0	0	525			
Birmingham Connected Infrastructure														0			
CA-01588		250												250			
Highway Improvement Lines		25												25			
CA-01579		250												250			
JDT Costs, Assessment and Data														0			
CA-01106														0			
Total		5199	152	1578	2586	2684	3019	300	11705	17543	157	717	865	47165			

ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21  
2018/19

2018/19										
Programme	Sub projects	Project Code	ITB FUNDING (3HC)	SECTION 106/278	Funding source TBC	CENTRO	LGF MAJOR	ADDITIONAL LGF	Coporate Resources	TOTAL 2018/19
1. Major Schemes and Local Growth Fund			£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
			60	1803	3021	0	38363	1692	0	44939
	Dudley Road	CA-02715					6500			6500
	Ion Lane / Station Road / Flaxley Road	CA-02709						1692		1692
	Journey Time Reliability Improvements to Growth Areas	CA-02713	60				240			300
	Selly Oak New Road Phase 1b	CA-02722		1803			1623			3426
	Tame Valley Viaduct - Stage 3	CA-02718					30000			30000
	Unlocking Birmingham's SUE - Peddimore Access	CA-02730			3021					3021
	Future projects to be determined									0
	Future projects to be determined									0
2. Economic Growth			735	0	0	0	0	0	0	735
			0	0	0	0	0	0	0	0
2a. Economic Growth Zones										
City Centre Enterprise Zone			735	0	0	0	0	0	0	735
2b. Enabling Growth and Tackling Congestion										
Tackling Congestion	City Centre		75							75
	Supporting Public Transport		450							450
	Car Clubs		10							10
	Future parking schemes		200							200
Parking Management										
3. Walking, Cycling and Local Accessibility			2634	0	0	3000	1000	0	860	7494
			2534	0	0	3000	1000	0	860	7394
	Birmingham Cycle Revolution Phase 2	CA-02714	1360			3000	1000			2360
	Birmingham Cycle Revolution Phase 3	CA-02752	640			3000			860	4500
	Cycle Parking Stands	CA-02753	20							20
	Definitive Map Statement	CA-01439	75							75
	Walking Measures		439							439
			100	0	0	0	0	0	0	100
			100							100
			300	0	0	0	0	0	0	300
4. Road Safety										
4a. Safety Cameras										
4b. Local Safety Schemes										
5. Safer Routes to Schools										
Larger Schemes										
Small Measures Schemes										
6. Network Integrity and Efficiency										
6a. Network Integrity and Efficiency										
6b. Ward Minor Transport Measures										
7. Infrastructure Development										

ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME - 2015/16 to 2020/21  
2019\_20

		2019_20			
Programme		ITB FUNDING (3HO)	LGF MAJOR	Corporate Resources	TOTAL 2019/20
Local Growth Fund	1. Major Schemes and Local Growth Fund	£000's	£000's	£000's	£000's
	Dudley Road	2162	42231	-1725	42688
	Iron Lane/Station Road / Flexley Road	200	12711		12711
	Journey Time Reliability Improvements to Growth Areas	60	240		300
	Solly Oak New Road Phase 1b	300	300		300
	Tanne Valley Viaduct - Stage 3	29000	29000		29000
	Repayment to Corporate Resources	1725		-1725	0
Metro Extension					
Future projects to be determined					0
Major Schemes					
Future projects to be determined		177			177
2. Economic Growth		485	0	0	485
2a. Economic Growth Zones					
City Centre Enterprise Zone		0	0	0	0
Future projects to be determined					
2b. Enabling Growth and Tackling Congestion		485	0	0	485
Tackling Congestion	City Centre	75			75
	King Heath High Street		CA-02777		0
	Inner Circle / Route 8				0
	Stratford Road / Highgate Road		CA-01563		0
	Washwood Heath / Bromford				0
	Yew Tree		CA-02408		0
	Supporting Public Transport	200			200
Parking Management					
Car Clubs		10			10
Future parking schemes		200			200
3. Walking, Cycling and Local Accessibility		782	1000	0	1782
Safer Routes to Schools	Birmingham Cycle Revolution Phase 2	584	1000	0	1584
	Cycle Parking Stands	320	1000		1320
	Definitive Map Statement	20			20
	Walking Measures	75			75
	Walking Measures	169			169
	Future projects to be determined	198	0	0	198
	Future projects to be determined	198			198
4. Road Safety		300	0	0	300
4a. Safety Cameras					
4b. Local Safety Schemes		0	0	0	0
3 year programme		300	0	0	300
Future projects to be determined		300			300
5. Safer Routes to Schools					
Future projects to be determined		300	0	0	300
Larger Schemes		250			250
Minor Measures		50			50
Small Measures Schemes		605	0	0	605
6. Network Integrity and Efficiency					
Minor Measures		105	0	0	105
6a. Network Integrity and Efficiency					
Ashton Road North Bridge		25			25
HMMPEI Network Integrity and Safety Report Alignment/Decou		50	CA-02773/256725		50
Standards Compliance		30			30
6b. Ward Minor Transport Measures					
Future projects to be determined		500	0	0	500
Ward Minor Transport Measures		500			500
7. Infrastructure Development					
Birmingham Connected Infrastructure		525	0	0	525
Highway Improvement Lines		250			250
CA-01579		25			25
JDT Costs, Assessment and Data		250			250
CA-01105					
Total		5159	43251	-1725	46685



ANNEX H  
TRANSPORTATION AND HIGHWAYS CAPITAL PROGRAMME -2015/16 to 2020/21  
2020-21

		2020-21				
Programme	Sub projects	Project Code	ITB FUNDING (3HD)	SECTION 106/278	PRUDENTIAL BORROWING	TOTAL 2020/21
Local Growth Fund	1. Major Schemes and Local Growth Fund		£000's	£000's	£000's	£000's
			2000	3530	16611	31251
	Dudley Road	CA-02715		3530	3514	7044
	Tame Valley Viaduct - Stage 3	CA-02718			13097	22207
Metro Extension	New Projects		2000			2000
	Future projects to be determined					0
Major Schemes	2. Economic Growth					0
	2a. Economic Growth Zones		785	0	0	785
	City Centre Enterprise Zone		0	0	0	0
	2b. Enabling Growth and Tackling Congestion		785	0	0	785
	City Centre		75			75
	King Heath High Street	CA-02777				0
	Inner Circle / Route 8					0
	Stratford Road / Highgate Road	CA-01563				0
	Washwood Heath / Bromford					0
	Yew Tree	CA-02408				0
Parking Management	Supporting Public Transport		500			500
	Car Clubs		10			10
3. Walking, Cycling and Local Accessibility	Future parking schemes		200			200
			644	0	0	644
3a. Walking and Cycling			544	0	0	544
	Cycle Parking Stands	CA-02753	20			20
3b. Local Accessibility	Definitive Map Statement	CA-01439	75			75
	Walking Measures		449			449
4. Road Safety			100	0	0	100
	Future projects to be determined		100			100
4a. Safety Cameras			300	0	0	300
	Future projects to be determined		0	0	0	0
4b. Local Safety Schemes			300	0	0	300
	Future projects to be determined		300			300
5. Safer Routes to Schools			300	0	0	300
	Future projects to be determined		250			250
6. Network Integrity and Efficiency	Minor Measures		50			50
			605	0	0	605
6a. Network Integrity and Efficiency			105	0	0	105
	Aston Road North Bridge		25			25
6b. Ward Minor Transport Measures	HMMPTI Network Integrity and Safety Report Alignment/Declut	CA-02773/256725	50			50
	Standards Compliance		30			30
7. Infrastructure Development			500	0	0	500
	Ward Minor Transport Measures		500			500
			525	0	0	525
	Birmingham Connected Infrastructure	CA-01586	250			250
	Highway Improvement Lines	CA-01579	25			25
	JDT Costs, Assessment and Data	CA-01106	250			250
Total			5159	3530	16611	34410



**Appendix B: Alignment of the Transportation and Highways Capital Funding Strategy with the Council's proposed Capital Expenditure Programme for 2016/17 to 2018/19**

**Transportation & Highways Capital Funding Strategy**

	2015/16 £'000	2016/17 £'000	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	Total £'000
Integrated Transport Block 15/16	5,159	0	0	0	0	0	5,159
Integrated Transport Block 16/17	0	5,159	0	0	0	0	5,159
Integrated Transport Block 17/18	0	0	5,159	0	0	0	5,159
Integrated Transport Block 18/19	0	0	0	5,159	0	0	5,159
Integrated Transport Block 19/20	0	0	0	0	5,159	0	5,159
Integrated Transport Block 20/21	0	0	0	0	0	5,159	5,159
DFT Major Schemes	1,516	0	0	0	0	0	1,516
DFT Pinch Points	1,686	0	0	0	0	0	1,686
Prior Years Integrated Transport Block	4,937	2,801	1,578	0	0	0	9,316
DFT SCE	119	636	152	0	0	0	907
Enterprise Zone	1,649	801	2,586	0	0	0	5,036
Section 106/278	44	869	2,684	1,803	0	3,530	8,930
Bus Lane Surplus	0	1,000	0	0	0	0	1,000
Prudential Borrowing	0	0	0	0	0	16,611	16,611
Funding sources to be confirmed	0	0	3,019	3,021	0	0	6,040
Centro Grants	1,856	4,184	700	3,000	0	0	9,740
Local Growth Fund Prep Costs	1,321	856	300	0	0	0	2,477
Cycle City Ambition Grant	10,105	9,395	11,705	0	0	0	31,205
Local Growth Fund Major	3,268	12,044	17,543	39,363	43,251	9,110	124,579
Addl Local Growth Fund Prep Costs App	233	120	157	0	0	0	510
Additional Local Growth Fund	1,000	0	717	1,692	0	0	3,409
Corporate Resources	0	0	865	860	(1,725)	0	0
<b>Total Funding</b>	<b>32,893</b>	<b>37,865</b>	<b>47,165</b>	<b>54,898</b>	<b>46,685</b>	<b>34,410</b>	<b>253,916</b>

**Comprising:**

1. Total Combined Transportation & Highways Capital Expenditure Programme as per Business Plan and Budget 2016+ 35,752 22,003 6,459
2. Resources not yet approved in the Capital Expenditure Programme 21,008 37,858 49,739
3. Less Transportation & Highways Schemes outside the scope of this report (18,895) (12,696) (1,300)

<b>37,865</b>	<b>47,165</b>	<b>54,898</b>
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**Notes:**

1. This brings together Transportation and Highways budgets shown in the proposed Council Business Plan & Budget 2016+ elsewhere on this Cabinet agenda.
2. The Funding Strategy includes potential resources that are not included in the Council Business Plan & Budget 2016+.
3. The Funding Strategy excludes a number of Transportation and Highways projects included in the Council Business Plan & Budget 2016+ but that are outside the scope of this report.



# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	UPDATED TRANSPORTATION AND HIGHWAYS CAPITAL FUNDING STRATEGY 2015/16 TO 2020/21
<b>Directorate</b>	Economy
<b>Service Area</b>	Transportation Services Growth And Transportation
<b>Type</b>	New/Proposed Function
<b>EA Summary</b>	<p>The Transportation and Highways Capital Funding Strategy (THCFS) aims to deliver capital transport and highway improvements that support the policies, priorities and targets of the Council; as set out in the Leader's Policy Statement, the Council Business Plan and Budget 2015+, the West Midlands Local Transport Plan and Birmingham Connected. These policy documents and associated reports have already been subject to equalities analysis.</p> <p>Subject to Cabinet approval, The West Midlands Local Transport Plan will be replaced by 'Movement for Growth', the West Midlands Integrated Transport Authority's Strategic Transport Plan, during 2016/17 (this document has been subject to an Equalities Analysis by the ITA).</p> <p>The intended outcomes of the THCFS include:</p> <ul style="list-style-type: none"> <li>supporting economic growth,</li> <li>reducing congestion,</li> <li>increasing active travel,</li> <li>improving physical fitness and health,</li> <li>improving road safety, improving accessibility,</li> <li>improving air quality, and</li> <li>maintaining and improving the integrity of the highway network.</li> </ul> <p>Transportation and highway improvements will benefit all districts and wards across the city, with further benefits to visitors and those who commute into the city. Measures implemented will benefit all ages and communities across the city. Many schemes are prioritised in terms of need, in addition to detailed data analysis, consultation and reference to existing Council, Integrated Transport Authority, Department for Transport and other guidance or policy. Schemes will cover a broad spectrum of modes including the private car, public transport, walking, cycling and freight/business movement.</p> <p>This Equalities Assessment is an update of the EA for the Transportation and Highways Capital Programme 2014/15 To 2016/17; ref. EA000194.</p>
<b>Reference Number</b>	EA001086
<b>Task Group Manager</b>	Peter.A.Bethell@birmingham.gov.uk
<b>Task Group Members</b>	Chloe.Taylor@birmingham.gov.uk, philip.edwards@birmingham.gov.uk, Andrew.Radford@birmingham.gov.uk
<b>Date Approved</b>	2016-01-31 00:00:00 +0000
<b>Senior Officer</b>	philip.edwards@birmingham.gov.uk
<b>Quality Control Officer</b>	Lesley.Edwards@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

<p>What is the purpose of this Function and expected outcomes?</p>	<p>The Transportation and Highways Capital Funding Strategy (THCFS) will improve access to employment and services in the city for residents and visitors, including enabling growth and the creation of new jobs in the Enterprise Zone, the Aston Advanced Manufacturing Hub, the Food Hub, Longbridge, Tyseley and Selly Oak. The THCFS will also support access and enable new housing development, whilst improving access to other employment locations.</p> <p>All relevant stakeholders will be identified and given the opportunity to be involved in the scheme consultation processes for individual projects. All members of the local community, including groups of people whose first language is not English, will be invited to comment on the proposals during the public consultations. All proposals will be designed in accordance with national design standards, which give consideration to the needs of disabled people; helping to promote positive attitudes towards disabled people.</p> <p>The Access Committee for Birmingham (a recognised forum for disabled people) will be invited to comment and contribute during the detailed design stage of any new infrastructure.</p> <p>Schemes will be designed to enable better access for all to employment, health, retail, education and leisure facilities across the city.</p> <p>The THCFS will have a positive impact on users of the highway, residents and businesses across the city by reducing congestion, improving road safety, increasing the use of sustainable modes, improving accessibility and improving air quality. Employment growth in the city, enabled by schemes within the THCFS, will assist in tackling worklessness and current levels of high unemployment. Users of the highway include vehicle drivers, vehicle passengers, pedestrians, cyclists, and bus users.</p> <p>The proposals will benefit vulnerable users, particularly the elderly and people with disabilities. Enhanced pedestrian facilities will help these groups cross the road. Any bus stops affected will be upgraded to DDA / Equalities Act standards, with tactile paving provided at dropped crossing points, to assist blind and partially sighted people locate and use the crossings. All measures will improve access to local facilities including employment, health, education, retail and leisure.</p> <p>Funding provided by the THCFS directly supports the ongoing employment of officers within the Economy directorate. Officers will also benefit from proposed schemes within the THCFS which reduce congestion, improve road safety, increase the use of sustainable modes, improve accessibility, improve air quality and enhance or protect the integrity of the highway network.</p>
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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

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

## 2.3 Analysis on Initial Assessment

All schemes proposed within the Transportation and Highways Capital Funding Strategy (THCFS) are provided as a public good and are available for all members of the community and visitors alike to use. Transport proposals are supported by promotional and educational training provided by the Transport Behavioural Change Team within Transportation Services, particularly in relation to road safety and active travel. Individual schemes will be subject to further screening for equalities analysis.

It is considered that there are no aspects of the THCFS that could contribute to inequality. The facilities and measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity, or disability.

Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes, and EAs will be completed at Product Definition Document and Full Business Case stage for individual projects and programmes.



### **3 Concluding Statement on Full Assessment**

All schemes proposed within the Transportation and Highways Capital Funding Strategy (THCFS) are provided as a public good and are available for all members of the community and visitors alike to use. Transport proposals are supported by promotional and educational training provided by the Transport Behavioural Change Team within Transportation Services, particularly in relation to road safety and active travel. Individual schemes will be subject to further screening for equalities analysis.

It is considered that there are no aspects of the THCFS that could contribute to inequality. The facilities and measures proposed are for all users and none are excluded. No measures are considered to discriminate against protected groups in terms of age, race, gender reassignment, sexual orientation, sex, pregnancy or maternity or disability. Individual scheme proposals will be further screened for equalities analysis as part of standard Council governance and approval processes.

The initial screening for the THCFS has indicated no adverse impacts or discrimination; it is concluded that a full EA is not necessary at this time. This position will be reviewed for individual scheme Product Definition Documents / Full Business Cases as they progress through standard Council governance and approval processes.

### **4 Review Date**

02/01/17

### **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>Date of Decision:</b>	<b>Chief Executive</b> <b>16<sup>th</sup> February 2016</b>
<b>SUBJECT:</b>	<b>GBSLEP YOUTH EMPLOYMENT INITIATIVE YOUTH PROMISE PLUS: FULL BUSINESS CASE</b>
<b>Key Decision: YES</b>	<b>Relevant Forward Plan Ref: 000295/2015.</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 Penny Holbrook – Cabinet Member for Skills, Learning and Culture</b> <b>Councillor Stewart Stacey – Cabinet Member for Commissioning, Contracting and Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Victoria Quinn, Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To seek approval to the Full Business Case (FBC) to develop and deliver a European Union funded Youth Promise Plus project, at a total gross value of £50.4m in line with the arrangements detailed in this report.</p> <p>1.2 The project will seek to provide personalised employment support linked to recruitment pathways to specific vacancies for 16,610 young people aged 15 to 29 years across Birmingham and Solihull, who are not in employment, education or training (i.e. NEET) and/or are claiming unemployment related benefits. It will deliver three main strands of intervention.</p> <p>1.3 To seek approval to accept anticipated offers of grant funding from the Department for Work and Pensions and to act as Accountable Body for this project on behalf of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP). At the time of writing the offers of funding had not been confirmed; decisions will be subject to this confirmation.</p>
<b>2. Decision(s) recommended:</b>
<p>It is recommended that Cabinet:</p> <p>2.1 Authorises the Council to become the Accountable Body for the GBSLEP in respect of the Birmingham and Solihull Youth Promise Plus project and to hold and manage European Union grant funding, subject to approval by the Department for Work and Pensions as detailed in this report.</p> <p>2.2 Authorises the Acting Strategic Director for the Economy Directorate, on behalf of the Birmingham City Council as the Accountable Body, to accept the grant offer from the Department for Work and Pensions (DWP) of up to £33.6m representing a combined European Structural Fund (ESF)/Youth Employment Initiative (YEI) contribution to part fund the proposed Youth Promise Plus project.</p> <p>2.3 Approves the Full Business Case, attached as the Annex and Appendices to this report, at a total cost of up to £50.4m, of which up to £33.6m will be derived from EU grant and £16.8m will be made up of a package of BCC and other local matched expenditure and activity.</p>

<p>2.4 Delegates the approval of the procurement strategy for this project to the Cabinet Members for Commissioning, Contracting and Improvement, and Skills, Learning and Culture jointly with the Acting Strategic Director for the Economy Directorate.</p> <p>2.5 Authorises the Acting Strategic Director for the Economy Directorate, in conjunction with the Strategic Director for Finance and Legal to enter into grant arrangements with DWP and the delivery partners named in section 4.2.1 of this report in a manner compliant with EU funding regulations and the national guidance.</p> <p>2.6 Authorises the City Solicitor to negotiate, execute and complete all relevant legal documents necessary to give effect to the project.</p>	
<p><b>Lead Contact Officer(s):</b></p>	<p>Shilpi Akbar Assistant Director for Employment, Economy Directorate Tel: 0121 303 4571 E mail: <a href="mailto:Shilpi.akbar@birmingham.gov.uk">Shilpi.akbar@birmingham.gov.uk</a></p>
<p><b>3. Consultation</b></p>	
<p>3.1</p>	<p><u>Internal:</u> The Cabinet Member for Development Transport &amp; The Economy has been consulted and it has been shared with the relevant Scrutiny Committee Chairs, and they support it going forward to the Executive for a decision. The Executive Management Team have been informed of the project since following a report of November 2014 where Youth Promise was identified as a strong opportunity for adding benefit through EU funds. Officers from City Finance and Legal and Democratic Services have been involved in the preparation of this report.</p>
<p>3.2</p>	<p><u>External.</u> External partners involved in the project development include Solihull MBC, The Prince's Trust, Queen Elizabeth University Hospital Hub, Centro, WM Police and Crime Commissioner's Office, The Best Network, BVSC, Birmingham and Solihull FE Consortium, West Midlands Learning Provider Network, St Basils and People Plus. A specific "Youth Voice" consultation with Young People and potential service users was undertaken by St Basils from the results of which are included in Appendix F.</p>
<p><b>4. Compliance Issues:</b></p>	
<p>4.1</p>	<p>The proposal contributes towards the strategic outcomes outlined in the 'Council Business Plan 2015+', specifically for a 'Prosperous City' through delivery of a project of significant scale focused on upskilling and actively supporting up to 16,610 NEET or unemployed young people into sustainable employment. It also encapsulates the Council values to work with public services, businesses and the people of Birmingham to create a city that is fairer, more prosperous and more democratic and builds on and deepens the Council's current "Youth Promise" policy commitment.</p>

4.1.2 All contracted providers within the Project will be required to comply with the principles within the Council's Birmingham Business Charter for Social Responsibility. The nature of the project interventions will specifically focus on activities which support the "local employment" and "good employer" principles within the Charter. Where applicable the project will operate within the State Aid General Block Exemption regulations (GBER). In providing additional EU funded activity the project has a neutral effect on budget savings but is expected to impact strongly on reducing demand on a wide range of future services through improving the life prospects of NEET young people.

## 4.2 Financial Implications

4.2.1 The total value of this project proposal over four financial years is £50.4m, with an end date of 31st December 2018. Some £33.6m of this expenditure will be derived through grant via the Department for Work and Pensions under the European Social Fund and Youth Employment Initiative process (subject to DWP appraisal and approval). There will be a further contribution of £16.8m derived through the matching of existing local activity and resource into the project delivery. This match funding package will be made up as follows:

Partner/ Match funding source		Total Match funding (£m) in the period from 1 <sup>st</sup> Sep 2015- July 2018
BCC- Birmingham Careers service	Up to	2.2
BCC- Destination Work Contracts	Up to	2.8
BCC- Supporting people Contracts	Up to	5.8
Youth Promise policy contingency	Up to	0.2
Birmingham Jobs Fund policy contingency	Up to	1.4
	Maximum available	12.4
<b>BCC- Total match required</b>		<b>12.0</b>
<b>The Prince's Trust</b>	<b>Confirmed</b>	<b>0.8</b>
<b>Solihull MBC</b>	<b>Confirmed</b>	<b>2.1</b>
<b>University Hospital UHB consortium</b>	<b>Confirmed</b>	<b>0.9</b>
<b>Police Crime Commissioner's office</b>	<b>Confirmed</b>	<b>1.0</b>
<b>Total Match</b>	<b>Required</b>	<b>16.8</b>

Budgetary provision for the Council's element of the match funding is in place. There is some flexibility with the funding within the table above, but where spend is considered ineligible or match is not available for the full project year period, the amount of grant drawn down can be reduced and consequently the scope of the project would reflect this. Arrangements with grant recipients will ensure that claw-back and repayment of grant will be achievable.

This project will require the submission by the Council to DWP of regular performance, monitoring and financial information. The project will be subject to EU commission procedural guidelines and audit. The financial operational model detailing how the resource will be used and monitored forms part of this Full Business Case Annex to this report (including **Appendices A and B**).

4.2.2.	<p>The project will be managed by the Employment &amp; Skills Service within the Economy Directorate. The Council will act as Accountable Body for the GBSLEP, steered by a project partnership group drawn from local partner agencies (detailed in <b>Annex 1</b> of this report). The EU guidance allows for up to 10% of the total project value to underpin Management and Administration (M &amp; A) costs. More detail on the proposed use of this M &amp; A allocation is given in <b>Appendix B</b> of this report; currently 8% of the budget is proposed for M&amp;A activities to be delivered by BCC and other partners. All new posts recruited by Birmingham City Council in this respect will be offered on a fixed term basis in line with the limited lifespan of the project</p>
4.2.3	<p>As the Accountable Body for this project, the Council will be required to ensure compliance with DWP grant conditions and will seek to mitigate these through appropriate contractual agreements with service providers (of the newly funded activity) or via the Council's own Conditions of Grant Aid (COGA) for Delivery Partners as listed in 4.2.1. above. New contracts and COGAs will transfer the ESF/YEI liabilities for eligible activity to the provider. Existing contracts will not contain these clauses so activity will be closely managed to ensure compliance. To this end central project data collection templates have been developed for all delivery organisations to use. Performance will be closely monitored by officers within the Economy Directorate on a monthly basis because for the first time projects will be performance tested by DWP on outputs as well as spend. All delivery arrangements will be subject to monitoring and performance checks and project compliance visits. There are no further on-going revenue implications as a consequence of accepting this grant funding other than the persisting risk of audit and clawback on the basis of eligibility or poor document/data retention, which is a major consideration for over 16,000 participants and the reason for an investment in the proposed database system.</p>
4.3	<p><b>Legal Implications</b></p>
4.3.1	<p>The Council's primary focus in respect of this service function is concerned with assisting local young people in accessing the labour market and remaining in employment, education and/or training. Specifically, the project will enhance the delivery of employment support and job matching services for 16,610 young people in Birmingham and other surrounding YEI eligible areas. The project management function will include measures to ensure that services are of sufficient quality and are appropriately tailored and targeted to address barriers faced by communities which are demonstrably and disproportionately excluded from the labour market. The Council has the power to enter into this activity in accordance with the general power of competence conferred by Section 1 of the Localism Act 2011 (LA 2011). The proposed activity is within the boundaries and limits on the general power set out in Section 2 and 4 of LA 2011 respectively.</p>
4.4	<p><b>Public Sector Equality Duty</b></p>
4.4.1	<p>An Equality Assessment (EA000677) screening has been completed on 28 January 2016 as part of the Full Business Case process for this project (<b>see Appendix F</b>). The project is specifically focused on supporting NEET and unemployed young people, a cohort for which the volume and claimant rate remains disproportionately high in Birmingham as compared with other UK Core Cities. The full equality assessment has identified that the project should have a positive impact on the following protected characteristics: Age and Disability; through providing additional specialist employment pathway support that is person-centred and flexible enough to include employment, education and training outcomes.</p>

4.4.2	Within the development phase of the project, a Youth Voice consultation activity has been taken forward to derive feedback from young people including potential service users on the detail of the proposed delivery model. Findings from this process are set out in <b>Appendix F</b> of this report. Ongoing Youth Voice consultation to inform continuous service improvement is built into the proposed project on an on-going basis within the Learning and Practice Hub strand of the project delivery plan.
4.4.3	Any company or external body selected for funding or to manage delivery within the project arrangements will be required to comply with the terms of the Equalities Act 2010, the City Council's Equal Opportunities policy, and additional ESF/YEI policy standards as required.
<b>5. Relevant background/chronology of key events:</b>	
5.1	<p>In 2012/13 Birmingham City Council set up the Birmingham Commission on Youth Unemployment which in its final report scoped out the level of need within the City around young people who are either not engaged in employment education or training (i.e. NEETs) or who are unemployed and claiming Job Seekers Allowance (or latterly Universal Credit). Since that report the Council has identified employment and skills support for 16-24 year olds as a key priority with a raft of measures being delivered in this context including;</p> <ul style="list-style-type: none"> <li>• <b>Birmingham Jobs Fund</b> – providing financial incentives to employers recruiting unemployed young people into apprenticeships and substantive jobs</li> <li>• <b>Destination Work-</b> a joint BCC/ DWP project around the provision of enhanced personal coach mentoring support to 18-24 year old JSA claimants to facilitate their progression to into jobs, and offering in work support to underpin the sustainment of that employment.</li> <li>• <b>Youth Promise-</b> corporate coordination of Council services, including Birmingham Careers Service, Employment &amp; Skills Service, Youth Service, HR, Youth Offending team and Education infrastructure, in order to facilitate a support offer to all young people in the City at transition points between Education , Further Education &amp; training and the Labour market.</li> </ul>
5.2	<p>Since the original Commission report, levels of youth unemployment and NEETs in Birmingham have reduced substantially:</p> <p>Unemployment; At the time of the application for funds (August 2015) Birmingham had 6,409 unemployed 18-24 year old benefit claimants This represents a significant reduction from two years ago (in July 2013 this was 11,790). This downward trend mirrors national reductions but also represents a closing of the gap between Birmingham and national rates of youth unemployment. However, this still leaves Birmingham with the highest volume of young unemployed of all UK Core Cities with a claimant rate of 8.8% (August 2015) compared with a UK rate of 4.6% and a core cities average of 6.6%.</p> <p>NEETS: Birmingham Careers Service estimates a core volume of around 2,700 NEETS in Birmingham at any given time (although absolute volumes do fluctuate at different stages of the academic year) and that the numbers of unknown or 'hidden' NEETS are increasing. As such continuation and deepening of the Council's Youth Promise approach and the extension of this in the GBSLEP area remains a key priority. A more detailed summary of policy and statistical context, is shown in <b>Appendix G</b> of this report.</p>

5.3 Officers have been working within the GBSLEP arrangements to explore the potential within the 2014+ European Structural Investment Fund programme (ESIF) to draw down additional resources in order to develop and deepen the Council's approach to tackling youth unemployment. Specifically, agreement has been reached to request that Birmingham City Council acts as Accountable Body on behalf of GBSLEP in developing, submitting and delivering an integrated project proposal covering Birmingham and Solihull (as the LEP's youth unemployment priority areas) under the Youth Employment Initiative (YEI) strand linked to the ESIF programme.

5.4 In May 2015 Cabinet received a composite report via the Council's European and International Division setting out potential funding opportunities within the ESIF programme, and gave approval to submit an application for up to £50.4 m (gross value) under the ESF/YEI arrangements. A first stage outline application was submitted to DWP on 22<sup>nd</sup> May 2015.

5.5 Following a call for Delivery Partner expressions of Interest and match funding on the "Find it in Birmingham" website, a range of delivery partners were identified and a wider group supported the project development. A detailed list of partners is shown in **Annex 1** ("Project Description" section). Partners have been drawn in to give skilled delivery and representation from a range of relevant sectors (Public, Private and not-for profit), and to provide links into a width of employers and growth areas within the local economy.

5.6 A full application was submitted on 11<sup>th</sup> September 2015 and a final funding decision from DWP national office is anticipated. Cabinet is now asked to consider and approve this current report and full business case for the proposed project. The detail of the project is shown in the Annex and Appendices of this report. The key features are as follows:

**Birmingham and Solihull Youth Promise Plus- Summary of project proposal**

5.6.1 The project is based on a gross value of £50.4m over four financial years (2015/16, 2016/17, 2017/18 and 2018/19), with retrospection allowing for an envisaged start date (for existing matched activity) in September 2015 and delivery running until June 2018 with a closedown period to December 2018. In line with EU guidance, this gross value is to be made up as follows:

	£
Youth Employment Initiative grant	16,800,000
ESF grant	16,800,000
Existing local activity/ expenditure as matched funding	<u>16,800,000</u>
	50,400,000



5.6.2 The project aims to support 16,610 Birmingham & Solihull young people (15-29 years) who are either NEET (Not engaged in Employment Education or Training) or unemployed and claiming Job Seekers Allowance, Universal credit or other work related benefits. The aims are to upskill and create integrated and supported pathways to sustainable employment, and the project targets supporting at least 7,309 (44%) of its beneficiaries into further education, training and/or employment by the end of the delivery period. All beneficiaries (including those not progressing into positive outcomes immediately) will be tracked and supported for at least 6 months and, through the proposed Learning and Practice Hub function, the project will aim to leave legacy of a better, and more integrated/responsive set of delivery partnerships within the local employment support structure that will persist and have impact beyond the period of funded project delivery.

The project will be informed by the Birmingham Skills Investment Plan by seeking to raise the skills of Young People to secure jobs in key sectors and set young people on a path to achieve the skills levels required to deliver a world class workforce by;

- Integration of service provision across providers
- Personal holistic support driven by a relationship of trust between beneficiaries and lead professionals
- Work First: Introduction of young people into some form of supported work environment within 6 weeks of their entry to the project. This programme seeks to bring opportunity for employment much earlier on to aid participant confidence and experience.
- Dedicated support to employers to ensure the creation of work environments that are conducive and responsive to beneficiaries support needs but also remain positive for the businesses themselves.

5.6.3 Therefore, the Youth Promise Plus project has the following delivery elements (more detail shown in the **Annex** to this report):

**STRAND ONE – Engagement and intervention with young people (holistic and tailored personal support and in work support)**

Newly commissioned Intervention Workers will be embedded within a range of agencies across the sub-region who work directly with disadvantaged young people. The project will also commission teams of outreach intervention works to engage with “hidden” NEETs and provide local responsiveness covering the Birmingham and Solihull areas.

**STRAND TWO – Employment Development** (Improving Employer Engagement and Support):

Through the commissioning of specific Employment Development workers the project will establish services to employers which provide ‘wrap-around’ support to young people achieving employment/work experience to address personal barriers and challenges, enabling the sustainment of employment. These contracts will provide supported pathways through employer-led training programmes leading directly to jobs upon completion.

**STRAND THREE- The Learning and Practice Hub**

To ensure the required level of service integration between providers and crucially to ensure smooth transition of young beneficiaries to and through supported employment, education and training pathways and into sustainable jobs, the project design incorporates a newly formed Learning and Practice Hub addressing quality, coordination and development support for all Youth Promise Plus frontline providers and staff.

5.6.4 **Commissioning implications:** Subject to DWP approval, it is envisaged that the first phase of Youth Promise Plus delivery will commence (based on an allowed retrospective start date) in September 2015 through refocused delivery of existing match funded contracts and services. The process of commissioning of new services will commence from late February 2016 with phased tender submission and appraisal dates up until June 2016 when the first tranche of contracts will be let for delivery. A detailed procurement strategy for the project is being developed and will be subject to Cabinet Member/Chief Officer approval as referred to in recommendation 2.4.

5.6.5 **DWP Grant Terms and Conditions and mitigation of risk:** Detailed DWP terms and conditions are expected in the anticipated DWP approval. To minimise/ mitigate financial risk, the Council will therefore adopt the following principles:

- All BCC terms and conditions issued to delivery partners/contracted providers will also reflect the European/DWP requirements around payment and clawback, and all payments from the Council to delivery partners will be made in arrears on receipt of verified satisfactorily evidenced claims.
- Regular monthly monitoring of all delivery arrangements will be put in place, with additional spot check visits and formal half and full year reviews.
- Deployment of YEI grant allocation around management and administration will include posts embedded with partner agencies to directly assist with the effective and on-going implementation of EU compliant finance and activity recording.
- Use of a balanced payment by results model for an element of the total value of commissioned contracts in order to incentivise and maximise achievement of target outcomes. (detail to be set out in the project's procurement strategy referred to in section 5.6.4).
- Outputs and participant progress will be monitored and performance managed within newly commissioned activity (existing contracts being used as match activity already have these measures within them). This reflects the performance management and the pro-rata clawback methodology that may be implemented by DCLG in relation to any underperformance on outputs which the Council will then be able to pass on to the provider
- Within Grant agreements performance management will need to be very closely monitored as grant recipients will not be directly liable for pro-rata underperformance, but further grant may need to be withdrawn if performance is not acceptable; this poses a delivery risk for BCC that will be monitored.

More detail around risk management and mitigation is shown in the risk register forming **Appendix C** of this report.

<b>6.</b>	<b>Evaluation of alternative option(s):</b>													
6.1	<b>Examine alternative options:</b> A range of alternative delivery mechanisms have been discussed with GBSLEP and other external strategic/ delivery partners within the project steering group established to develop this funding application and delivery plan. The current proposals are felt to be the best option in terms of improving and deepening employment support delivery to young NEET and unemployed residents in Birmingham and Solihull and in terms of maximising the use of resources in this respect.													
6.2	<b>Do Nothing:</b> The Council and GBSLEP would miss the opportunity to obtain significant external funding for a key economically-focused project which would contribute strongly to Council policies around promoting a fair, prosperous and democratic City and the Leader's Policy Statement.													
<b>7.</b>	<b>Reasons for Decision(s):</b>													
7.1	To enable the GBSLEP Youth Promise Plus project to be progressed and delivered on a timely and successful basis. This approach should maximise resources for partnership based Youth unemployment delivery and provide intensive support at scale to at least 16,610 NEET and unemployed young people to access further education, training, work experience and jobs in local labour markets.													
<table style="width: 100%; border: none;"> <thead> <tr> <th style="width: 40%;"></th> <th style="width: 30%; text-align: center;"><b>Signatures</b></th> <th style="width: 30%; text-align: center;"><b>Date</b></th> </tr> </thead> <tbody> <tr> <td>Cabinet Member for Skills, Learning and Culture</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> <tr> <td>Cabinet Member for Commissioning, Contracting and Improvement</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> <tr> <td>Chief Executive</td> <td style="text-align: center;">.....</td> <td style="text-align: center;">.....</td> </tr> </tbody> </table>				<b>Signatures</b>	<b>Date</b>	Cabinet Member for Skills, Learning and Culture	.....	.....	Cabinet Member for Commissioning, Contracting and Improvement	.....	.....	Chief Executive	.....	.....
	<b>Signatures</b>	<b>Date</b>												
Cabinet Member for Skills, Learning and Culture	.....	.....												
Cabinet Member for Commissioning, Contracting and Improvement	.....	.....												
Chief Executive	.....	.....												

<b>List of Background Documents used to compile this Report:</b>	
1.	Full Application GBSLEP Youth Promise Plus (ESIF YEI) 11 <sup>th</sup> September 2015
<b>List of Appendices accompanying this Report (if any):</b>	
1.	Full Business Case (Annex 1)
2.	Detailed Delivery structure (Appendix A)
3.	Management & Administration Structure (Appendix B)
4.	Risk Register (Appendix C)
5.	Stakeholder Analysis (Appendix D)
6.	Milestone Dates and Project Critical Path (Appendix E)
7.	Equalities Impact Assessment Summary (Appendix F)
8.	Policy and Statistical context: Evidence of employment support need (Appendix G)



Full Business Case (FBC)			
1. General Information			
Directorate	Economy	Portfolio/Committee	Skills, Learning & Culture
Project Title	GREATER BIRMINGHAM & SOLIHULL LOCAL ENTERPRISE PARTNERSHIP: YOUTH EMPLOYMENT INITIATIVE: YOUTH PROMISE PLUS	Project Code	Forward Plan ref: 000295/2015
Project Description	<p><b>Background</b></p> <p>The policy and statistical context for this project proposal is summarised in Appendix G of this Full Business Case report.</p> <p>In May 2015, Cabinet received a composite report via the Council's European and International Division setting out potential funding opportunities within the European Structural Investment Fund (ESIF) programme, and gave approval to submit an application for up to £50.4 million pounds (gross value over 3 financial years) under the Youth Employment Initiative (YEI) element. A first stage outline application was therefore submitted to the Department for Work and Pensions (DWP) on 22<sup>nd</sup> May 2015. This received a positive appraisal and the Council was invited to develop and submit a full application September 2015.</p> <p>Following a call for Delivery Partner expressions of Interest and match funding on the "Find it in Birmingham" website, the following delivery partners were identified and they and others pulled together into a Project Development Group through which the full application was developed; The Project Delivery/Funding Partners are:</p> <ul style="list-style-type: none"> <li>• Birmingham City Council (Employment &amp; Skills, Housing infrastructure, Birmingham Career and Youth Services and through them their contracted providers)</li> <li>• Solihull MBC</li> <li>• The Prince's Trust</li> <li>• University Hospital UHB</li> <li>• Centro</li> <li>• Police Commissioner's Office</li> </ul> <p>Project Development Group:</p> <ul style="list-style-type: none"> <li>• The Best Network</li> <li>• BVSC</li> <li>• West Midlands Learning Provider Network</li> <li>• Birmingham &amp; Solihull FE Consortium</li> <li>• People Plus</li> <li>• St Basils</li> <li>• Ahead Partnership (988 City)</li> <li>• DWP Birmingham &amp; Solihull District Office</li> </ul>		

A full application was duly submitted on 11<sup>th</sup> September 2015 and appraisal feedback in the form of clarification questions have been shared and responded to in several iterations, the last submission being made by the Council on 30<sup>th</sup> December 2015. A funding decision and detailed grant conditions from DWP national office are anticipated to be received by the Cabinet meeting date. Cabinet is now asked to consider and approve this Full Business Case for the project.

### **Project Proposals**

The key principles within the Youth Promise Plus delivery model are:

- Integration of service provision across providers
- Personal holistic support driven by a relationship of trust between beneficiaries and lead professionals
- Work First: Introduction of young people into some form of supported work environment, as early as possible, and certainly within 6 weeks of their entry to the project. Many previous employment support programmes have been formed with job search and matching activities built-in towards the end of a programme of training and upskilling support. This programme seeks to bring opportunity for employment much earlier on to aid participant confidence and experience.
- Dedicated support to employers to ensure the creation of work environments that are conducive and responsive to beneficiaries support needs but also remain positive for the businesses themselves.

Therefore, the Youth Promise Plus project has the following delivery elements:

### **STRAND ONE – Engagement and intervention with young people (holistic and tailored personal support and in work support)**

In addition to the activity delivery of BCC and partners, newly commissioned Intervention Workers will be embedded within a range of agencies across the sub-region who work directly with disadvantaged young people. The Project will work with both sub-regional agencies working across Birmingham and Solihull and those smaller agencies working in specific wards or neighbourhoods. These agencies include:

- Care leaver teams in Birmingham and Solihull
- Youth Offending Teams
- St Basil's (youth homeless service operating across Birmingham and Solihull)
- Midland Heart (youth homeless service operating across the sub-region)
- Trident (youth homeless service operating across the sub-region)
- Accord (youth homeless service operating across the sub-region)
- Local Jobcentres
- The Prince's Trust
- Local Authority Youth Centres
- Birmingham Careers Service
- Local multi-agency NEET panels
- Voluntary and third sector organisations

The project will also commission teams of outreach intervention works

to engage with “hidden” NEETs and provide local responsiveness in 5 localities sub-dividing the total Birmingham and Solihull area.

Accessing specialist services where necessary, the Intervention Workers will provide intensive mentoring and pastoral support, providing a ‘wrap-around’ service enabling the young people to address a myriad of barriers including debt, health, housing, basic skills and personal development challenges. The aim is to resolve these barriers swiftly keeping the focus on gaining employment or workplace experience or training leading directly to employment within 6 weeks. The workers will seek to link beneficiaries directly into opportunities generated through the employer-facing aspects of this project, but where appropriate will also signpost and refer into a wider range of external training and employment opportunities. The Intervention workers will also provide continuity of support and in-work support to seek to ensure maximum sustainability of employment for beneficiaries.

In addition, to this newly commissioned activity the project will engage with young people through the following existing programmes and services:

**Destination Work** –existing procured contracts delivered through People Plus, Standguide and The Best Network providing intensive coaching and mentoring support to 18-24 years olds referred by 7 Jobcentres in the area. This will be extended to include all 14 Jobcentres in the sub-region.

**Supporting People** - enhancing existing procured contracts delivered through Accord Housing, Midland Heart, St Basil’s and Trident Housing providing personal and employment support to young people at risk of homelessness.

**Birmingham Careers Service-** enhancing existing council managed service offering Careers and information Advice and guidance to NEETS.

**Solihull MBC direct employment & Skills provision-** enhancing existing employment support and job matching activities with a focus on young people distanced from the labour market resident in Solihull

**STRAND TWO – Employment Development** (Improving Employer Engagement and Support):

The aim of this strand is to ensure employers are prepared and supported to provide work opportunities/apprenticeships/traineeships to the most disadvantaged. Through the commissioning of specific Employment Development workers the project will establish services to employers which provide ‘wrap-around’ support to young people achieving employment/work experience to address personal barriers and challenges, enabling the sustainment of employment. These contracts will provide supported pathways through employer-led training programmes leading directly to jobs upon completion.

The YEI delivery will include strengthening and deepening the following existing employment pathways:

- **The Prince’s Trust:** “Get into” programmes and tailored support leading to vacancies with the Trust’s large National employer accounts
- **Queen Elizabeth University Hospital UHB:** supported pathways to NHS and Health and Life Sciences opportunities.

In addition, the project will commission new supported pathways and embedded Employment Development workers through external providers and employers in the following work areas:

- **Employment growth and natural market turnover in Small and Medium sized Enterprises (SMEs)** – with a particular emphasis on work in Business Improvement Districts
- **Sector Based employment pathways in areas of growth** – e.g. Construction, Manufacturing, Food and Tourism, Professional sector.

### **STRAND THREE- The Learning and Practice Hub**

In order to ensure the required level of service integration between providers and crucially to ensure smooth transition of young beneficiaries to and through supported employment, education and training pathways and into sustainable jobs, the project design incorporates a newly formed Learning and Practice Hub to deliver the following elements

- **A quality development & coordination support function** (including provider theme groups/quality circles; and Employer Engagement coordination to ensure linkage to GBSLEP priorities and identified growth sectors).
- **Bespoke Coach/mentor practice techniques and support** (Continuous professional development for front line staff)
- **Evaluation & Continuous service improvement framework**
- **Spot purchasing fund** to respond to specialist support needs and demand expressed through service users and Intervention workers.
- **Travel training and support to beneficiaries**
- **Youth Voice-** service users and wider young people's consultation to inform service improvement.

### **Outcomes**

The project aims to support 16,610 Birmingham & Solihull young people (15-29 years) who are either NEET (Not engaged in Employment Education or Training) or unemployed and claiming Job Seekers Allowance, Universal credit or other work related benefits. The aims are to upskill and create integrated and supported pathways to sustainable employment, and the project targets supporting at least 7,309 (44%) of its beneficiaries into further education, training and/or employment by the end of the delivery period. All beneficiaries (including those who don't progress to a positive destination) will be tracked and supported for at least six months.

In order to hit these targets it is envisaged that providers will need to deliver a higher number of client case engagements in order to:

- a) Plan around potential dropout rates
- b) Translate recorded "case contacts" into individual beneficiaries in instances where individuals access support from more than once YEI contracted provider (e.g. an Intervention Worker and a supporting People provider) in order to fulfil their agreed action plan.

### **Management**

Birmingham City Council will act as Lead Accountable Body on behalf of the Greater Birmingham and Solihull Local enterprise partnership (GBSLEP) in respect of this project. The management of the project will be driven through the Council's Employment & Skills Service in the Economy Directorate, and activity will be steered by a Project Partnership Board made up of a range of identified strategic and delivery partners (see earlier list)..



In addition to the delivery strands set out above, an element of the YEI income in respect of this project will be used to create and underpin a number of posts providing management and administration services to ensure the smooth and EU compliant running of the project. The details of the envisaged management & administration structure of the project are shown in **Appendix B** of this report. This function will involve staff being embedded and hosted in the following ways:

- **BCC Employment and Skills Service:** Central team of posts around project and contract management, compliance/support and monitoring, administration and data inputting. Project income will be used both to underpin the staff costs of some existing posts and to create additional capacity for fixed term/secondment roles.
- **BCC Housing infrastructure and Careers Service:** Additional fixed term posts around YEI monitoring and data imputing roles for the Supporting People and Careers Service activity.
- **Solihull MBC-** fixed term management, monitoring and support roles
- **Management and administration roles embedded in external delivery partners** (i.e. The Princes' Trust, UHB)

The total grant available for project management and administration costs is set out below:

	£
Staff and Employee costs	3,710,831
Marketing	100,000
Hospitality	50,000
Evaluation	50,000
Database	<u>137,500</u>
	<b>4,048,331</b>

All new posts recruited by Birmingham City Council in this respect will be offered on a fixed term basis in line with the limited lifetime of the funding.

### Procurement

Subject to DWP approval, it is envisaged that the first phase of Youth Promise Plus delivery will commence through an allowed retrospective start date in September 2015 through refocused delivery of existing match funded contracts and services. The commissioning of new services will commence from late February 2016 with phased tender submission and appraisal dates up until June 2016 when the first tranche of contracts will be let for delivery. The details of this approach will be set out in a procurement strategy to be approved by the Cabinet Members for Commissioning, Contracting and Improvement, and Skills, Learning and Culture jointly with the Acting Strategic Director for the Economy Directorate.

### Contract Management and Monitoring

The detail of the project's contract management and monitoring will be set out in the procurement strategy.

### Funding Package

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The project is based on a gross value of £50,400,000 over four

financial years (2015/16, 2016/17 2017/18 and 2018/19), with an envisaged start date of September 2015 (retrospection is allowed so that existing matched activity can be countered from date of invitation to submit a full application) and delivery running until June 2018 with a closedown period to December 2018. In line with EU guidance, this gross value is to be made up as follows:

	£
Youth Employment Initiative income	16,800,000
ESF income	16,800,000
Existing local activity/ expenditure as matched funding	<u>16,800,000</u>
	<b>50,400,000</b>

The package of **local match funding** that has been confirmed is as follows:

Partner/ Match funding source		£ Total Match funding (£m) in the period from 1 <sup>st</sup> Sep 2015- July 2018
BCC- Birmingham Careers service	Up to	2.2
BCC- Destination Work Contracts	Up to	2.8
BCC- Supporting people Contracts	Up to	5.8
Youth Promise policy contingency	Up to	0.2
Birmingham Jobs Fund policy contingency	Up to	1.4
	Maximum available	12.4
<b>BCC- Total match required</b>		<b>12.0</b>
<b>The Prince's Trust</b>	<b>Confirmed</b>	<b>0.8</b>
<b>Solihull MBC</b>	<b>Confirmed</b>	<b>2.1</b>
<b>University Hospital UHB consortium</b>	<b>Confirmed</b>	<b>0.9</b>
<b>Police Crime Commissioner's office</b>	<b>Confirmed</b>	<b>1.0</b>
<b>Total Match</b>	<b>Required</b>	<b>16.8</b>

Commitment to the match funding outlined above from external partners has been confirmed in writing by all partners. Budgetary provision for the Council's element of the match funding is in place. It is recognised that the staffing elements of this match within the Birmingham Careers Service could be subject to change as a result of their current Service review. As shown in the table above, allocations in respect of policy contingency (Youth Promise and Birmingham Jobs Fund) have therefore been identified which can be accessed to underwrite the total City Council match if required ( for example due to service changes or reduced local match activity) . An alternative option would be to negotiate with DWP around reducing the scale of delivery but this is not

	<p>preferred due to the scale of need identified in the development of this project.</p> <p><b>Revenue Consequences</b></p> <p>There are no ongoing revenue consequences for Birmingham City Council beyond those identified in this report.</p> <p>The City Council will be the Accountable Body for the EU/DWP grant which will involve receiving grant on behalf of Solihull MBC and other delivery partners. To minimise the risk of claw back the Accountable Body will ensure that all grant conditions are enforced through back to back partnership agreements with all Delivery Partners. This will be managed so as to ensure that there are, no ongoing capital/revenue implications for BCC. Further details as to how such risks will be managed are included in the Risk Register (<b>Appendix C</b>).</p> <p><b>Consultation</b></p> <p>Following an Expression of Interest call for Strategic/delivery partners conducted through "Find it in Birmingham" in May 2015 a range of partner agencies (detailed in the "background" section above) were invited to form a group through which stakeholder consultation was undertaken around the development of a full application and delivery plan.</p> <p>In addition, through partnership with St Basils, a Youth Voice consultation was undertaken with young people and potential service users, the feedback from which is included in the Equalities Assessment forming <b>Appendix F</b> of this report. It is envisaged that the Youth Voice forum will be developed on an on-going basis to form part of the Learning and Practice Hub delivery strand in the project with young people's feedback being used actively to inform continuous service improvement as the project progresses.</p>		
<b>Links to Corporate and Service Outcomes</b>	<p>The proposal contributes towards the strategic outcomes outlined in the 'Council Business Plan 2015+', specifically 'Prosperous City'; the recommendations will deliver a project of significant scale focused on upskilling and actively supporting up to 16,610 NEET or unemployed young people around creating pathways to sustainable employment. It also deepens the Council's current "Youth Promise" policy commitment. Where applicable the project will operate within the State Aid General Block Exemption regulations (GBER).</p>		
<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>
	<p>Increase Employment and Training Opportunities for NEETs and others with complex barriers</p> <p>Page 535 of 788</p>	<p>Supporting the rise in participation age by providing additional traineeships and apprenticeships in the area by:</p> <ul style="list-style-type: none"> <li>• Providing a substantial increase in the numbers of employers prepared and supported to offer work experience and employment to the most disadvantaged young people.</li> <li>• Improving the co-ordination of current employer engagement</li> </ul>	

		work across the sub-region.
	Address Marginalisation and Disadvantage	<p>Engaging marginalised 15-18 year olds in the area to support them to re-engage with education or training by:</p> <ul style="list-style-type: none"> <li>• Working directly with those area-wide and local agencies which work with the most disadvantaged young people aged 15-18 to identify and engage them.</li> <li>• Providing an intense and tailored personalised support to these young people to address the challenges faced by the young people to ensure that they receive interventions in an effective and timely manner.</li> </ul>
	Improve the Basic and employability Skills of Young People	<p>Addressing the basic skills needs of young NEETs in the area so that they can compete effectively in the labour market by:</p> <ul style="list-style-type: none"> <li>• Developing a common and genuinely holistic sub-regional approach which is tailored to the needs of each disadvantaged young person.</li> <li>• Swift and effective removal of young person's educational, personal and social barriers to the workplace through support into existing and newly commissioned services and an early introduction to employer-led opportunities for development and employment.</li> </ul>
	Work With Employers to Increase Opportunity for the unemployed	<p>Providing additional work experience and pre-employment training opportunities for unemployed 18-24 year olds by:</p> <ul style="list-style-type: none"> <li>• Providing an increase in the numbers of employers prepared and supported to offer work experience and employment to the most disadvantaged young people.</li> <li>• Improving the co-ordination of current employer engagement work across the sub-region.</li> <li>• Direct support to employers to enable workplace issues to be resolved simply and effectively, at an early stage to prevent any impact on business operations</li> </ul>

	Address the Specific Needs of young Lone Parents	<p>Supporting lone parents in the area to overcome the barriers they face in the labour market by:</p> <ul style="list-style-type: none"> <li>• Working directly with those area-wide and local agencies which work with young lone parents such as Children's Centres, JCP and other VCO provision identify and engage them.</li> <li>• Providing an intense and tailored personalised support to young lone parents to address the challenges they face in an effective and timely manner</li> <li>• Swift and effective removal of a young lone parent's educational, personal and social barriers to the workplace through support into existing and newly commissioned services and an early introduction to employer-led opportunities for development and employment</li> <li>• Providing childcare where not available through other public resources wherever it is a barrier to engagement and participation.</li> </ul>
<b>Project Deliverables</b>	<p>Client case contacts recorded: 19,000</p> <p>Individual beneficiaries engaged and supported: 16,610</p> <p>Clients completing YEI intervention 11,212</p> <p>Job starts achieved 4,000</p> <p>No of beneficiaries in FE, training or employment on leaving the project 7,309</p>	
<b>Scope</b>	<p>The Project proposes to work with the most disadvantaged young people in Birmingham and Solihull who are unemployed (i.e. not in paid employment and claiming JSA, Universal Credit ESA or other work related benefits) or are NEET or 'inactive'/'Not Known' (i.e. not in education, employment or training). The age range for the project will be 15-29 year olds.</p>	
<b>Scope exclusions</b>	<p>Project delivery will be restricted to operate within EU guidelines around eligibility around both beneficiary status and expenditure including being resident in Birmingham and Solihull. No exclusions to these criteria will be permitted except where young people are in care /fostering arrangements and are living in local authority endorsed residences which are outside of the area.</p>	
<b>Dependencies on other projects or activities</b>	<p>The project is dependent upon the following:</p> <ul style="list-style-type: none"> <li>• Funding awards and approvals from DWP Procurement of service contracts with external providers</li> <li>• Changes in economic/labour market context affecting demand or ability to achieve positive employment outcomes</li> <li>• Pledged match funding and delivery from partners and within BCC services</li> </ul>	

<b>Achievability</b>	<p>Significant progress has been made in developing an effective delivery partnership and securing the required match funding package at a local level. An outline application has been submitted and positively appraised. A full application has also been submitted to the required timescale and has been appraised and approved at LEP level. Final approval is now awaited from DWP, and is anticipated by or before the Cabinet meeting date of 16 February 2016</p> <p><b>Key risks</b></p> <ul style="list-style-type: none"> <li>- Restrictive funding conditions restrictions (e.g. relating to phasing of spend and eligibility of costs or inflexibility over profile changes)</li> <li>- Being Accountable Body for Delivery Partner spend</li> <li>- Challenging timescales</li> <li>- Cost overrun and/or quality issues (both expenditure and outputs will be performance managed by DWP)</li> <li>- Recruiting sufficiently skilled staff within BCC and Partner organisations to deliver the additional activity.</li> </ul> <p>Risks will be managed to remove or mitigate them as far as possible and a risk register is included at <b>Appendix C</b></p>		
<b>Project Managers</b>	Andrew Barnes, 0121 303 3740, <a href="mailto:andrew.barnes@birmingham.gov.uk">andrew.barnes@birmingham.gov.uk</a> Tara Verrell <a href="mailto:tara.verrell@birmingham.gov.uk">tara.verrell@birmingham.gov.uk</a>		
<b>Budget Holder</b>	Shilpi Akbar, 0121 303 4571, <a href="mailto:Shilpi.akbar@birmingham.gov.uk">Shilpi.akbar@birmingham.gov.uk</a>		
<b>Sponsor</b>	Shilpi Akbar, 0121 303 4571, <a href="mailto:Shilpi.akbar@birmingham.gov.uk">Shilpi.akbar@birmingham.gov.uk</a>		
<b>Project Accountant</b>	Alison Jarrett, 0121 675 5431, <a href="mailto:Alison.jarrett@birmingham.gov.uk">Alison.jarrett@birmingham.gov.uk</a>		
<b>Project Board Members</b>	Shilpi Akbar, Stuart Evans, Andrew Barnes, Alison Jarrett, Mark Reed, external partnership steering group		
<b>Head of City Finance (HoCF)</b>	Alison Jarrett	<b>Date of HoCF Approval:</b>	04/02/2016

## 2. Budget Summary

	<b>Voyager Code</b>	<b>Financial Year 2015/16</b>	<b>Financial Year 2016/17</b>	<b>Later Years</b>	<b>Totals £</b>
Engagement & Intervention strand		2,145,926	15,190,336	17,834,823	<b>35,171,085</b>
Learning & Practice Hub		119,551	846,265	993,587	<b>1,959,403</b>
Employment Development		562,620	3,982,615	4,675,946	<b>9,221,181</b>
<b>Totals</b>	Page 538 of 788	2,828,097	20,019,216	23,504,356	<b>46,351,669</b>

<b>Other revenue Consequences</b>					
Management & Administration Costs		247,005	1,748,468	2,052,858	<b>4,048,331</b>
<b>Totals</b>		<b>3,075,102*</b>	<b>21,767,684</b>	<b>25,557,214</b>	<b>50,400,000</b>

\* If slippage to expenditure occurs; approval to reprofile expenditure into future years will be sought.

<b>Funded By:</b>					
YEI Income		1,025,034	7,255,894*	8,519,071*	16,800,000
ESF income		1,025,034	7,255,894*	8,519,071*	16,800,000
Local Matched Funding		1,025,034	7,255,894*	8,519,071*	16,800,000
<b>Totals</b>		<b>3,075,102</b>	<b>21,767,684</b>	<b>25,557,214</b>	<b>50,400,000</b>
<b>Planned Start date for delivery of the project</b>	<i>December 2015 (with provision for retrospection from September 2015)</i>	<b>Planned Date of Technical completion</b>		<i>Expenditure ends July 2018 with monitoring to December 2018</i>	

\*rounded figures.

### 3. Checklist of Documents Supporting the FBC

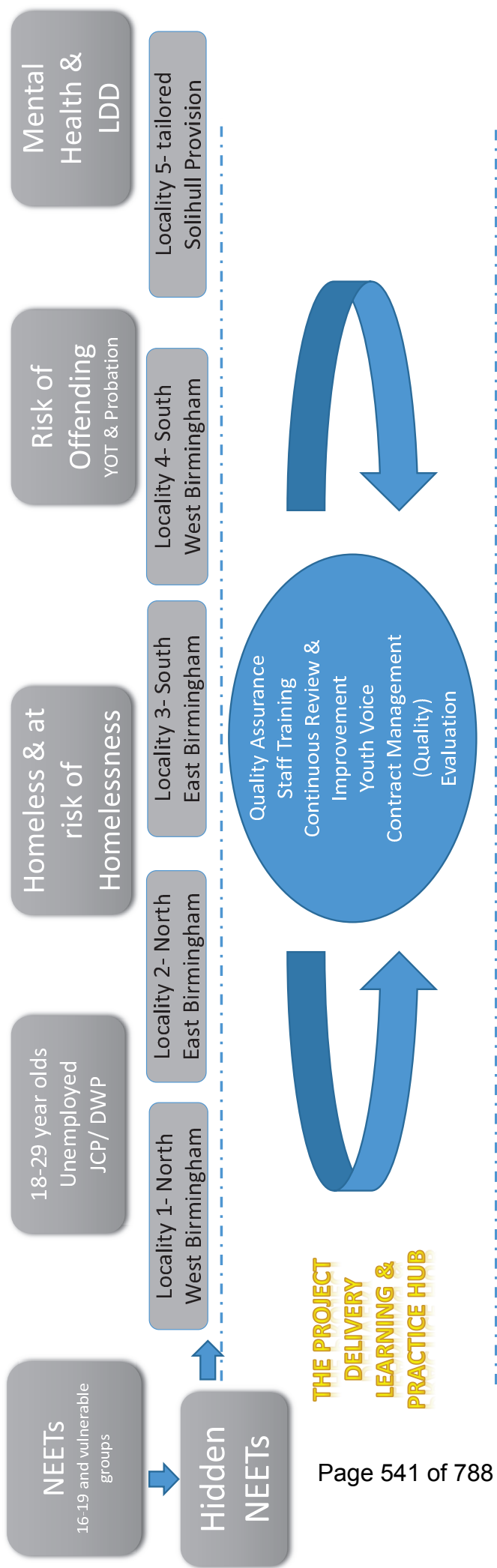
Item	Mandatory attachment	Number attached
<b>Other Attachments (list as appropriate)</b>		
Full list of Appendices to FBC		
Appendix A – Detailed delivery structure	Y	A
Appendix B - Management & Administration Structure	Y	B
Appendix C – Risk Register	Y	C
Appendix D – Stakeholder Analysis	Y	D
Appendix E – Milestone dates/ Project critical path	Y	E
Appendix F- Equalities Impact assessment summary	Y	F
Appendix G- Policy and Statistical context: Evidence of employment support need	Y	G





## APPENDIX A: YEI Delivery Structure

## Engagement & Intervention



**THE PROJECT  
DELIVERY  
LEARNING &  
PRACTICE HUB**



Birmingham City Council						
<b>Solihull MBC</b>	<b>CAREERS SERVICE</b>	<b>SUPPORTING PEOPLE TEAM</b>	<b>EMPLOYMENT &amp; SKILLS SERVICE</b>	<b>EUROPEAN &amp; INTERNATIONAL AFFAIRS</b>	<b>FINANCE</b>	<b>PROCUREMENT</b>
<b>EMPLOYMENT &amp; SKILLS</b> 0.25 x Employment & Skills Lead Officer (Band F) (S13) 0.5 x Assistant Accountant (Finance & Monitoring) (Band E) (S17) 1 x Employment & Skills Project Officer (Band E) (S16) 0.5 x Project Support Officer (Band D) (S15)	1 x Grant Claim/Compliance Monitoring (Gr 4) (ESS7) PSS Admin/Data Inputting (Gr 2) (ESS8)	1 x Business Support Analyst Manager (Gr 4) (SP1) 1 x Grant Claim/Compliance Monitoring (Gr 4) (ESS7) 1 x PSS Admin & Data Inputting (Gr 2) (ESS8)	0.2 x AD for Employment (ESS1) 1 x Employment & Skills Manager (Gr 6) (ESS3) 1 x Project Manager (Gr 6) (ESS2) 3 x Employment & Skills Officer (Gr 5) (ESS5) 3 x Employment & Skills Officer YEI Contract & Compliance Management (Gr5) (ESS4) 3 x Grant Claim, Compliance & Monitoring Officer (Gr 4) (ESS7) 1 x Employment & Skills Support Officer (Gr 4) (ESS6) 1 x Database Management Officer (Gr 4) (ESS9) 1 x Admin for L & P Hub (Gr 3) (ESS10) 3 x PSS Admin & Monitoring (Gr 3) (ESS10) 1 x PSS Admin (Gr 2) (ESS8) 1 x PSS Admin/Data Inputting (Gr 2) (ESS8)	0.2 Funding Manager (Gr 6) (EAI1) 0.8 ESIF Monitoring & Compliance Officer (Gr 4) (EAI2)	1 x Accountancy Assistant (Gr 5) (BCCF1)	1 x Assistant Procurement Manager (Gr 5) (BCCP1)
					<b>Princes Trust</b>	<b>UHB Consortium</b>
					1 x Central England Director (P26) 1 x Head of Contracts (P29) 1x Contracts Manager (P30) 1 x Contracts Executive (P31) 1 x Head of Finance (P32) 1 x Finance Executive (P33)	1 x Head of Regeneration (Gr 8C) (UHB1) 1 x Learning Hub Manager (Gr 8A) (UHB2) 1 x Regeneration Finance & Compliance Manager (Gr 8A) (UHB3)



**APPENDIX C- YEI Risk register**

No	Item of Risk	Inherent Risk		Control Measures	Control Measure Managed by	Residual Risk	
		Impact	Likelihood			Impact	Likelihood
1.0	<b>Funding</b>						
1.1	Application to DWP is unsuccessful	High	Low	Outline application submitted in May 2015 was positively appraised resulting in invite to submit full application. Detailed delivery planning underway to prepare for any due diligence questions arising from application appraisal- Positive project appraisal and endorsement anticipated at ESIF committee in January	Assistant Director for Employment/ Skills Team	Medium	Low
1.2	Funding from DWP is below Application levels and Target cost	Med	Med	Advocacy by BCC within Due diligence discussion with DWP and/or scaling down of project delivery activity and cost within delivery planning process	Assistant Director for Employment/ Skills Team	low	Med
1.3	Potential funding exposure for BCC by acting as Accountable Body through clawback	High	Med	BCC will closely monitor and manage contracted project delivery on a monthly basis. Funding and Legal Agreements to be put in place with Delivery partners and contracted providers to ensure that all DWP contract responsibilities, terms and conditions are mirrored with partners and financial risks to BCC are minimised.	Assistant Director for Employment and YEI Project manager once appointed	Med	Low
2.0	<b>Delivery</b>						
2.1	Lack of demand – difficulty accessing and engaging eligible young people	High	Low	Delivery partners have established relationships with JCP, Locally embedded third sector orgs and statutory services such as YOS, Social Care. The DPs have excellent track records for engaging the most vulnerable and 'hard to reach' young people. • Marketing costs have been included in the project. • Clear PR and publicity plan will be developed and implemented. • Project wide publicity resources will be developed alongside partners' existing materials as appropriate. • Intervention workers will raise awareness of the programme offer to all relevant organisations and services.	Employment & Skills Service/ YEI project Manager once appointed	med	Low
2.2	Wide partnership structures making consistent management more difficult	High	Med	Robust plans for contract management and quality assurance are in place through the inclusion of a Learning and Practice Hub strand within the delivery plan. • Experienced staff in place • Robust internal audit and QA systems • Robust and compliant procurement procedures • Common and agreed operating standards • Common IT system for management of entire project across partners.	Employment & Skills Service/ YEI Project manager once appointed	Med	Low
2.3	Over demand – too many eligible young people	Med	Med	Numbers of potential young people have been carefully calculated using current data and delivery planned accordingly. • Strict criteria and processes for ensuring only eligible young people are supported. • Potential to commission additional support as required through Spot purchasing fund in the project's Learning & Practice Hub.	Employment & Skills Service/ YEI manager once appointed/ all delivery partners	Med	Low

2.4. Difficulty progressing young people into employment and other positive outcomes	High	High	Risk exists around changing economic climate- although currently levels of youth unemployment in the City are reducing significantly (although still higher than in other UK core cities. Project mitigate this through the following measures: • The design of the programme has been based on evidence of good practice of what works. • The combination of one to one support, bespoke interventions and improved employer links will enable the programme to support all young people into a positive outcome.	Employment & Skills Service/ YEI manager once appointed/ all delivery partners	Medium	Med
3.0 Commissioning						
3.1 Difficulty commissioning host organisations with sufficient capacity and understanding of the delivery model to employ the Intervention Workers and employment Development staff effectively.	High	Med	Risk to be addressed through an active commission and procurement approach, building on knowledge gained through commissioning of the recent Destination Work programme. BCC to manage process which will include: - Market Shaping/ consultative workshops with potential providers in advance of setting service specifications. -A balanced use of incentives and payment by results terms within contracts to ensure contract fees reflect the genuine value of support activities undertaken with harder to support clients - on-going and continuous service improvement and support for contracted providers through the project learning and practice hub.	BCC Employment & Skills Service and named co-commissioning delivery partners	med	Med
4.0 Recruitment						
4.1 Difficulty in recruiting and retaining appropriately skilled Intervention and Employment Development Workers	Med	Med	All delivery partners have existing skills and capacities within current work force. In addition the project will adopt the following: • Expedient and robust recruitment processes • Competitive wages • Use of Secondment opportunities to aid rapid deployment -on going bespoke training and support in coach mentor techniques for frontline staff delivered through the project's Learning & Practice hub.	Employment & Skills Service/ YEI manager once appointed/ all delivery partners	Med	Low
5 Delay in approval or start up	Medium	Medium	Delay has the potential to erode available match funding and affect timescale for deliverability. However, DWP terms allow for retrospective around claiming existing eligible match funded activity. Work is therefore on-going with delivery partners to ensure existing delivery with eligible YEI clients is EU compliant and can be recorded and claimed from a start date in January. Moreover, in respect of City Council match a £2 million policy contingency allocation has been identified to underwrite Match funding commitments if required. As accountable body Birmingham City Council would also seek to negotiate with DWP around potential for down scaling delivery in line with match funding as required.	Employment & Skills Service/ YEI manager once appointed/ all delivery partners	low	Medium

APPENDIX D

Stakeholder	Stake in Project	Potential Impact on Project	What does the Project expect from Stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Cabinet Member	Portfolio holder Councillor Penny Holbrook (Skills, Learning & Culture)  Linked Portfolio Councillor Stewart Stacey (Commissioning, Contracting and Improvement)	High	Political support for project	Supportive	Ongoing involvement through consultation	Portfolio holder
Ward Councillors	Knowledge of issues affecting local community-informing service specifications for commissioning and delivery of Hidden NEETS Locality contracts	High	Political support for project	Supportive- details of activities need to be reflected in on-going development of District Jobs and Skills Plans.	Ongoing involvement through consultation and District Jobs and Skills Plans	Represent Community Interest
Birmingham Youth Partnership Members	Consultative input and “critical” friend in development of funding application and delivery mode	Medium	Expertise and knowledge to inform development of project delivery plan	Supportive	Regular reporting to BYP forum meetings	Feed in provider and service user views on service design and delivery

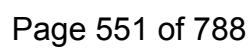
Birmingham & Solihull Youth Promise Plus (YEI) project development group	<p>Following submission and assessment of expressions of interest selected strategic and delivery partner agencies have been formed into a project development group:</p> <p>Roles include:</p> <p><b>Strategic direction:</b> to assist the lead accountable body in driving forward bidding and delivery planning</p> <p><b>Delivery:</b> Specific delivery partners bringing match funding and delivery capacity will deliver prescribed elements of the project under Partnership agreements managed by the City Council under Conditions of Grant aid.</p> <p><b>Alignment and destinations for participants:</b> Key external partners will be FE/training providers and employers who can provide progression routes for Project participants</p>	High	<p>Expertise and knowledge to inform development of project delivery plan and direct input into delivery from the following group members:</p> <ul style="list-style-type: none"> <li>Birmingham City Council (Employment &amp; Skills, Housing infrastructure, Birmingham Careers and Youth Services)</li> <li>Solihull MBC</li> <li>The Prince's Trust</li> <li>University Hospital UHB</li> <li>The Best Network</li> <li>BVSC</li> <li>Centro</li> <li>Police Commissioner's Office</li> <li>West Midlands Learning Provider Network</li> <li>Birmingham &amp; Solihull FE Consortium</li> <li>The Best Network</li> <li>People Plus</li> <li>Ahead Partnership (CSR City)</li> <li>St Basil's</li> <li>DWP Birmingham &amp; Solihull District Office</li> </ul>	<p>Supportive- will need to effectively manage declarations of interest where delivery partner may also seek to bid into commissioning and procurement opportunities.</p>	<p>Regular group meetings and Quality/theme groups around individual delivery strands</p> <p><b>To inform the setting up of the project's ongoing governance structure involving:</b></p> <ul style="list-style-type: none"> <li>Establishment of Strategic Project steering group with reporting lines to the GBSLEP through their Employment &amp; Skills Board structures</li> <li>Day to day operational group</li> </ul> <p><b>See following Governance Structure diagram</b></p>	<p>Project oversight and direction- for some members direct delivery relationship will be established through Partnership agreements and /or contracts.</p>
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APPENDIX D

Greater Birmingham and Solihull Local Enterprise Partnership	Strategic ownership of project	High	Regular briefing and directional steer	Supportive.	Through reporting line to Birmingham and Solihull LEP Employment & Skills Boards Strategy team	Project Sponsor
DWP (National)	Head contract holder and funder on behalf of EU Commission	High	Funding, monitoring and audit framework	Awaiting DWP feedback on Full application	Establish regular dialogue around contract management and compliance	Funder
Youth Voice consultation- St Basil's	Coordinating consultation with Youth People and potential and existing service users	High	Continuous feedback from Young people and service users to inform service design and continuous improvement	St Basil's have managed and initial consultation process to inform the project equalities assessment. This needs to be developed and regularised as an on-going process	Regular reports back through Project Steering group	Consultation and Service users feedback

Birmingham and Solihull Business community	Employers providing job opportunities and work experience placements for Young People	Medium	<p>Direct links to recruitment and vacancies.</p> <p>Feedback on Employer perceptions and needs to inform service delivery</p>	<p>Delivery partners already have significant relationships established with key employers around recruitment</p>	<p>Continuation and deepening of existing employer relationships through Prince's Trust, UHB, Birmingham City Council and Solihull MBC</p> <p>Development of strategic relationships with employer representative bodies such as Chambers of Commerce.</p>	<p>Direct Employers and representatives of Employer perceptions and needs</p>
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## Appendix E MILESTONE DATES and RESOURCES

Milestone	Start Date	Completion Date
Destination Work contract implementation	December 2014	Ongoing
Supporting People contract implementation	December 2014	Ongoing
Establishment of Project Development Group to engage partners and stakeholders in project development and bid submission	July 2015	December 2015
Establishment of Project Steering Group (top tier governance) and second tier governance (integrated support operational group; employer group)	February 2016	On-going
Risk assessment completed and mitigations in place/built in to project implementation framework	September 2015	December 2015
Agreement of communication and policies and frameworks	December 2015	December 2015
Project final sign off by BCC Cabinet	February 2016	February 2016
DWP appraisal feedback and due diligence – decision and offer letter and project implementation framework agreed	January 2016	February 2016
Detailed Project Delivery Partner Guidance and commissioning frameworks and service specifications produced	January 2016	February 2016
Monitoring framework agreed to include:  Project outputs  Beneficiary data  Financial data for partner audits/claims checking	November 2015	February 2016
Delivery / activity “counting” commences for existing match funded contracts	September 2015	On-going
Procurement phase commences, with non-OJEU level contracts completing first	February 2016	June 2016
Activity by existing/ interim project staff	December 2015	March 2016
Recruitment of new staff on fixed term contracts	February 2016	April 2016

Project brand/logo agreed and initial publicity	January 2016	February 2016
Agreement of monitoring and evaluation framework	November 2015	November 2015
Operational 'go-live' date	September 2015	Phased from September to February 2016
Initial impact assessment/interim evaluation	December 2016	February 2017
Second Stage impact assessment/evaluation	November 2017	December 2018
Final impact assessment/evaluation	June 2018	July 2018 (with finalisation of targets achieved in December 2018)
Dissemination strategy launched to include policy makers, employers, and service providers.	March 2017	March 2017
Sustainment strategy agreed if applicable	March 2018	March 2018
Project wind down and closure	December 2018	December 2018

## STATEMENT OF RESOURCES REQUIRED

<b>People</b>	Project Sponsor Project Manager BCC YEI Management and Administration team- through deployment of some existing posts within the Employment and Skills service as match funding and the use of the M&A income element of the project to underpin other existing salaries and grow capacity through the funding of fixed term post and/or secondments. Legal Services Finance Officers Corporate Procurement European and International Division
<b>Equipment</b>	None over and above standard equipment e.g lap tops, issued to officers and members of Birmingham City Council staff.

## PROGRAMME TEAM

See Management and Administration structure including Delivery Partner structures see Appendix B of this report

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Birmingham And Solihull Youth Promise Plus Project (Youth Employment Initiative)
<b>Directorate</b>	Economy
<b>Service Area</b>	STP Employment
<b>Type</b>	Reviewed Policy
<b>EA Summary</b>	Equality impact of the EU funded Birmingham and Solihull Youth Promise Plus Project - (ESF Youth Employment Initiative (YEI)) on behalf of a wider collaborative partnership (including: Princes Trust; University Hospital Birmingham Consortium; Solihull MMBC; CENTRO and the Police Commissioners Office) as lead applicant. The project will specifically target employment support activity for up to 16,610 young people between the ages of 15 and 29 within Birmingham and Solihull, who are Not in Employment Education or Training (NEET) or are unemployed. It will embed Intervention Workers in key service access points through which the project will engage with those most distanced from the labour market, including care leavers, those at risk of offending, those who are homeless, and those with mental ill health and learning difficulties.
<b>Reference Number</b>	EA000677
<b>Task Group Manager</b>	alison.fiddes@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2016-01-28 00:00:00 +0000
<b>Senior Officer</b>	Shilpi.Akbar@birmingham.gov.uk
<b>Quality Control Officer</b>	Lesley.Edwards@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 Reviewed Policy.

## **2 Overall Purpose**

### **2.1 What the Activity is for**

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<p>What is the purpose of this Policy and expected outcomes?</p>	<p>Birmingham and Solihull Youth Promise Plus primary aim is to reduce both youth unemployment and the number of young people classified as NEET (Not in Employment Education &amp; Training), by intensively supporting 16,610 young people into employment education or training by July 2018. By targeting more intensive support to those with the most disadvantage, and furthest from the labour market (such as those at risk of offending, care leavers, those experiencing homelessness and those suffering mental ill health or learning difficulties) it aims to significantly improve positive outcomes for these groups.</p> <p>The project also aims to address issues of fragmentation and silo working which are identified in the Greater Birmingham and Solihull Local Enterprise Partnership European Structural and Investment Funds (GBSLEP ESIF) Strategy 2014 - 2020, by bringing together sub regional partners, such as DWP, community and voluntary organisations, major employers and the FE sector, to create an entirely new system of employment and skills support.</p> <p>The project will be delivered through three key strands:</p> <p>STRAND ONE Engagement and intervention with young people (holistic and tailored personal support and in work support): Existing Supporting People and Destination Work contract provision will be matched and aligned into the Youth Promise Plus delivery. Newly commissioned Intervention Workers will be embedded within a range of agencies across the sub-region who work directly with disadvantaged young people. The project will also commission teams of outreach intervention works to engage with hidden NEETs and provide local responsiveness in 5 localities covering the Birmingham and Solihull areas. The aim is that a significant number of these beneficiaries will access the supported pathways to jobs created through the Employment Development strand of the project (described below) and signposting/ supported referral to wider range of external destinations in jobs, education and training.</p> <p>STRAND TWO Employment Development (Improving Employer Engagement and Support): Through the commissioning of specific Employment Development workers the project will establish services to employers which provide wrap-around support to young people achieving employment/work experience to address personal barriers and challenges, enabling the sustainment of employment. These contracts will provide supported pathways through employer-led training programmes leading directly to jobs upon completion. The YEI delivery will include strengthening and deepening the existing employment pathways delivered through the Princes Trust and UHB Hospital consortium.</p> <p>STRAND THREE- The Learning and Practice Hub: To ensure the required level of service integration between providers and crucially to ensure smooth transition of young beneficiaries to and through supported employment pathways and into sustainable jobs, the project design incorporates a newly formed Learning and Practice Hub to be managed through the City Council addressing quality, coordination and development support for all Youth Promise Plus frontline providers and staff.</p>
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**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

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

## 2.3 Analysis on Initial Assessment

All attempts to promote equality have been made during the planning and completion of the bid (during July - September 2015), by ensuring that consultation and delivery mechanisms are inclusive and that the views of the primary beneficiary group (young people) have informed the development of the project. Robust equality procedures are part of the delivery model, through the Learning and Practice Hub that will drive forward continuous improvement and maintain input from the "Youth Voice" (input from young people, including those who are being supported through the project); and a Gender Equality and Equal Opportunities Policy and Implementation Plan.

The policy is meant to directly benefit young people from a specific age bracket (15 - 29) who share particular economic and social characteristics and so the AGE characteristic is relevant. The project policy includes specifically targeted support for young people with significant barriers to employment, including those who experience Mental Ill Health and Learning Disabilities. Therefore the DISABILITY characteristic is relevant.

Other protected characteristics are not relevant to this policy for the following reasons:

**GENDER:** There should be no negative impact on individuals as the Policy gives equal access to both genders;

**RACE:** All assessments, planning and outcomes related to the implementation of the policy will be individualised and address issues specific to the individual which will include issues related to race. There should be no negative impact on individuals;

**RELIGION OR BELIEF:** All assessment, planning and outcomes related to the implementation of the policy will be individualised and address issues specific to the individual which will include issues related to religion or belief. The service will be non-discriminatory, irrespective of an individuals religion or belief. There should be no negative impact on individuals;

**SEXUAL ORIENTATION:** All assessment planning and outcomes related to the implementation of the policy will be individualised and address issues specific to the individual which will include issues related to sexual orientation. The policy is sensitive to the needs of a wide range of people and ensures compliance with data protection policies and procedures. There should be no negative impact on individuals;

**TRANSGENDER:** All assessment planning and outcomes related to the implementation of the policy will be individualised and address issues specific to the individual which will include transgender issues. The new service will be sensitive to the needs of a wide range of people and ensure compliance with data protection policies and procedures. There should be no negative impact on individuals;

The policy does not disadvantage young people who are not eligible for support through the project, as they will be already engaged in work, training or education and are able to access other relevant support.

Because this policy affects two groups with protected characteristics, a Full Analysis will be undertaken. This will detail consultation that has been undertaken, what supporting data is available, issues raised and how mitigating actions will be implemented.

### 3.1 Age

#### 3.1.1 Age - Differential Impact

Age	Relevant
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#### 3.1.2 Age - Impact

Describe how the Policy meets the needs of Individuals of different ages?	<p>The Youth Promise Plus project will support young people aged 15 - 29 who are unemployed or NEET, helping them address personal barriers and provide access to employment and pathway support. The project comprises two strands of direct delivery activity, specifically designed to meet the needs of young people and address barriers:</p> <p>STRAND ONE Engagement and intervention with young people (holistic and tailored personal support and in work support) specifically designed to meet the needs of young people; and</p> <p>STRAND TWO Employment Development (Improving Employer Engagement and Support) to improve access to jobs and employer-led training programmes leading directly to jobs.</p> <p>This project aims to have a positive impact on age equality as it will help redress the balance of Birmingham's young people having a higher unemployment rate than the Birmingham and National averages.</p> <p>As at August 2015 Birmingham had 6,409 unemployed 18-24 year old benefit claimants, representing a claimant rate of 8.8% compared with a UK rate of 4.6%. (ONS/NOMS), and highest of all the UK Core Cities: Birmingham; Liverpool; Nottingham; Glasgow; Manchester; Newcastle; Sheffield; Cardiff; Leeds; and Bristol</p>
Do you have evidence to support the assessment?	Yes

Please record the type of evidence and where it is from?	<p>The main body of evidence is contained in the ESF Project bid, submitted to DWP in September 2015, and for which we are currently awaiting approval (following approval of the outline application). The Bid sets out the thinking and rationale behind the policy and this is supported by reference to local, regional and national research and evaluations, including findings from evaluation of partner activities.</p> <p>The longstanding statistical inequalities in unemployment rates for Birmingham's young people is evidenced through the Office for National Statistics and regular local Unemployment Bulletins produced by BCC for Birmingham;</p> <p>Birmingham Commission on Youth Unemployment, in their report January 2013, scoped out the level of need within the City around young people who are either not engaged in employment education or training (i.e. NEETs) or who are unemployed and claiming Job Seekers Allowance (or latterly Universal Credit).</p>
Have you received any other feedback about the Policy in meeting the needs of Individuals of different ages?	Yes
Please record the nature of such feedback.	<p>Significant consultation was undertaken with relevant internal and external stakeholders in the design and development of the project, including: Birmingham Youth Partnership Members; Birmingham City Council (Employment &amp; Skills, Housing infrastructure, Birmingham Careers and Youth Services); Solihull MBC; The Princes Trust; University Hospital UHB; The Best Network; BVSC; Centro; Police Commissioners Office; West Midlands Learning Provider Network; Birmingham &amp; Solihull FE Consortium; The Best Network; People Plus; Ahead Partnership (CSR City); DWP Birmingham &amp; Solihull District Office; and St Basils who held a Youth Voice event to obtain the views of young people on the proposed delivery model.</p>
You may have evidence from more than one source. If so, does it present a consistent view?	Yes
Is there anything about the Policy and the way it affects Individuals of different ages which needs highlighting?	No

### 3.1.3 Age - Consultation

Have you obtained the views of Individuals of different ages on the impact of the Policy?	Yes
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<p>If so, how did you obtain these views?</p>	<p>Consultation was undertaken with a group of young people aged between 16 and 29 (Youth Voice) in Sept 2015, by St Basils, a prominent Youth charity based in Birmingham. The consultation consisted of an informal discussion with the group, as well as an explanation of the proposed Birmingham and Solihull Youth Promise Plus delivery model. A series of open questions were posed regarding the groups experiences and opinions of previous and existing provision, designed to address youth unemployment in Birmingham and Solihull. Feedback about the delivery model was positive and the young people identified the following areas for consideration:</p> <p>Interventions must lead to results  The programme must create sustainable change  Young people desire recognition for all progress, including soft outcomes, such as improved confidence etc  Young people want consistent messaging and communication across agencies, particularly, with regards to the provision of information, advice and guidance  An assigned worker, present throughout the duration of the young persons journey, working on a one-to-one basis is deemed important  An appropriately qualified support worker/mentor is important, as is the concept of peer mentoring, whereby young people support and mentor other young people  The mentor must work at the young persons pace  Work trials were identified as the best way forward. Concerns were raised around the disclosure of convictions  The importance of the young persons wellbeing and health must be incorporated into the programme  Young people preferred the job title Intervention Mentor, as opposed to words such as worker or advisor, which they felt implied a hierarchical relationship  Pathways must be joined up. This ties in with the need for consistency across agencies</p>
<p>Have you obtained the views of relevant stakeholders on the impact of the Policy on Individuals of different ages?</p>	<p>Yes</p>

<p>If so, how did you obtain these views?</p>	<p>A range of internal and external stakeholders have been involved in developing the project, including internal BCC Departments, including Housing Services, Youth Services, Careers Service, and other public and voluntary/community organisations, including Solihull MBC; The Princes Trust; University Hospital UHB (on behalf of Consortium members); The Best Network; BVSC; Centro; Police Commissioners Office; West Midlands Learning Provider Network; Birmingham &amp; Solihull FE Consortium; The Best Network; People Plus; Ahead Partnership (CSR City); St Basils; DWP Birmingham &amp; Solihull District Office. Initially consultation was via separate internal officer meetings and external stakeholder meetings due to the numbers of individuals involved. These group meetings took place over the project development phase between July to September 2015. As a part of the project development task and finish sub groups were established to shape the delivery model. This included the "Youth Voice" task group to obtain the views of young people.</p> <p>A Delivery Partner Group was established in December 2015 to further develop the implementation of the delivery model and inform future commissioning. This includes internal and external delivery partners: Birmingham Careers Service; Housing; Solihull MBC; UHB Consortium; Princes Trust; CENTRO. This group has met regularly from December to continue to shape the development and implementation of the project.</p> <p>Relevant elected members have been informed of project's development and progress.</p>
<p>Is there anything about the Policy and the way it affects Individuals of different ages which needs highlighting?</p>	<p>No</p>

### 3.1.4 Age - Additional Work

<p>Do you need any more information to complete the assessment?</p>	<p>No</p>
<p>Please explain how individuals may be impacted.</p>	<p>The Employer focussed element of this project aims to increase employment opportunities available to young people, by promoting to employers the value of investing in young people and engaging them in the workplace</p>

Please explain how.	The policy will promote activities within the workplace and wider community. There will be a sharing of work/ knowledge and skills between different age groups and one to one mentoring.
Is there any more work you feel is necessary 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?	Yes

## 3.2 Disability

### 3.2.1 Disability - Differential Impact

Disability	Relevant
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### 3.2.2 Disability - Impact

Describe how the Policy meets the needs of Individuals with a disability?	The project policy includes specifically targeted support for young people with significant barriers to employment, including those who experience Mental Ill Health and Learning Disabilities. These young people will be supported by specialist workers offering an holistic and tailored service to meet their needs. The employment strand of the project will seek to improve the employment opportunities available to these individuals.
Do you have evidence to support the assessment?	Yes
Please record the type of evidence and where it is from?	The main body of evidence is contained in the ESF Project bid, which sets out the thinking and rationale behind the policy and this is supported by reference to local, regional and national research from academic and other sources.
Have you received any other feedback about the Policy in meeting the needs of Individuals with a disability?	No
You may have evidence from more than one source. If so, does it present a consistent view?	Yes
Is there anything about the Policy and the way it affects Individuals with a disability which needs highlighting?	No

### 3.2.3 Disability - Consultation

Have you obtained the views of Individuals with a disability on the impact of the Policy?	No
If not, why not?	There are no plans to consult relevant individuals
Have you obtained the views of relevant stakeholders on the impact of the Policy on Individuals with a disability?	Yes



<p>If so, how did you obtain these views?</p>	<p>As previously described, a range of internal and external stakeholders have been involved in developing the project, including internal BCC Departments and other public and voluntary/community organisations. Initially consultation was via separate internal officer meetings and external stakeholder meetings due to the numbers of individuals involved during the project development phase (July - Sept 2015). External Partner meetings included organisations that have significant experience of delivering employment support to young people with disadvantage in the labour market, including: The Princes Trust; University Hospital UHB (on behalf of Consortium members); The Best Network; BVSC; St Basils; DWP Birmingham &amp; Solihull District Office. As a part of the project development task and finish sub groups were established to shape the delivery model. This included the "Youth Voice" task group to obtain the views of young people.</p> <p>A Delivery Partner Group was established in December 2015 to further develop the implementation of the delivery model and inform future commissioning. This includes internal and external delivery partners, again including organisations experienced in delivering employment support to young people with mental ill health and learning difficulties, including: Birmingham Careers Service; BCC Supporting People contract providers - St Basils, Trident, Midland Heart and Ashram Housing Assocs; Solihull MBC; UHB Consortium; Princes Trust.</p>
<p>Is there anything about the Policy and the way it affects Individuals with a disability which needs highlighting?</p>	<p>No</p>

### 3.2.4 Disability - Additional Work

<p>Do you need any more information to complete the assessment?</p>	<p>No</p>
<p>Please explain how individuals may be impacted.</p>	<p>The Employer focussed element of this project aims to increase employment opportunities available to young people suffering from Mental Ill Health or with a Learning Disability, by promoting to employers the value of investing in these young people and engaging them in the workplace</p>

Please explain how.	The policy will promote activities within the workplace and wider community, supporting the creation of a more diverse workforce and raising the visibility of young people with disabilities in the work place, thereby fostering good relations.
Is there any more work you feel is necessary 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?	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?	Yes
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?	Yes
Do you think that the Policy could assist in promoting positive attitudes to Individuals with a disability?	Yes

### **3.3 Concluding Statement on Full Assessment**

The proposed Youth Promise Plus project will specifically target employment support activity for up to 16,610 NEET or unemployed young people between the ages of 15 and 29. In addition the project will embed Intervention Workers in key service access points through which the project will, via appropriately qualified partners and contractors, engage with those most distanced from the labour market with a specific focus on Care leavers, those at risk of Homeless, those at risk of offending, Young people with mental Health support needs or Learning difficulties and Hidden NEETS.

The equality assessment has therefore identified that the project should have a positive impact on the following protected characteristics: Age and Disability, through providing additional specialist employment pathway support that is person-centred and flexible enough to include employment, education and training outcomes.

As Birmingham is the UK core city with the highest volume and claimant proportion of unemployed 18-24 year olds, this project seeks to redress this inequality by targeting at scale and intensity a client cohort which is demonstrably disproportionately excluded from the current labour market.

Young people who are not identified as potential beneficiaries of the project will not be impacted upon as they are likely to be engaged in work, education or training and will be able to access existing Council, voluntary and community provision.

The Equality Assessment has demonstrated that significant consultation has been undertaken with relevant internal and external stakeholders in the design and development of the project, including: Birmingham Youth Partnership Members; Birmingham City Council (Employment & Skills, Housing infrastructure, Birmingham Careers and Youth Services); Solihull MBC; The Princes Trust; University Hospital UHB; The Best Network; BVSC; Centro; Police Commissioners Office; West Midlands Learning Provider Network; Birmingham & Solihull FE Consortium; The Best Network; People Plus; Ahead Partnership (CSR City); DWP Birmingham & Solihull District Office; and St Basils who held a Youth Voice event to obtain the views of young people on the proposed delivery model.

Feedback has demonstrated that the model adopted is appropriately focused and represents a positive option in addressing inequalities for the proposed user group.

The project has ongoing equality monitoring arrangements as a requirement of its EU funding. This includes statistical equality monitoring and the production of a Gender Equality and Equal Opportunities Policy and Implementation Plan. A key strand of the project is the Learning and Practice Hub which will undertake ongoing consultation with stakeholders (including Young People, through the Youth Voice), evaluation and feedback to drive forward continuous improvement. Therefore equality monitoring be ongoing throughout the project and mitigating actions will be implemented to address any issues identified

## **4 Review Date**

01/07/16

## **5 Action Plan**

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



## APPENDIX G: Estimate of the potential client base for Birmingham and Solihull Youth Employment Initiative

### Introduction and 'Health Warnings'

The YEI has ambitious targets to engage 16,610 young people aged 16-29 in Birmingham and Solihull, with the bulk of the activity over the period February 2016-July 2018. This short report uses a range of datasets to estimate how many clients are potentially available to engage with the programme.

There is no one source that can provide this information, so the report draws on a range of datasets, that each provides partial information. Due to methodological and timing differences an overall figure can therefore be regarded as indicative only.

Also, the report assumes the continuation of broadly similar economic and labour market conditions. If conditions improve the available cohort is likely to be smaller, but if economic conditions worsen, then the cohort will increase.

This report does not include a detailed analysis of the characteristics of the cohort, but this could be carried out at a later date if required.

### Methodology

The report initially estimates the size of the client base as it currently stands. It then estimates what proportion of these potential clients are claiming out of work benefits. Finally it provides an estimate of the additional numbers created by churn.

All numbers have been rounded to the nearest 500. Numbers may not add up due to rounding.

Data is principally drawn from the ONS Annual Population Survey and from DWP out of work claimant datasets.

### Current estimated client base – Birmingham and Solihull (see Table 1 for details)

- 20,500 residents aged 16-29 are unemployed (including those ineligible for benefits)
- A further 111,000 are economically inactive
- But of the economically inactive an estimated 94,000 will be in full time education
- **Total available cohort estimated at 37,500** (20,500+111,000-94,000)
- **Of these 22,000 are aged 25-29.**

Note that of these some will not be engaged with any agencies, , and others may have such significant issues that even engagement may not be likely or appropriate during the timescale of the project.

### Numbers on benefit (see Table 2 for details)

- **Just over half (21,000) of the total 16-29 client base is currently claiming an out-of work benefit. Of these 9,500 are aged 25-29**
- 7,500 claim Job Seekers Allowance (December 2015). Of these 3,500 are aged 25-29.

- A further 3,500 claim the 'out of work' element of Universal Credit (December 2015). Of these 800 are aged 25-29.
- 10,000 claim Employment Support Allowance (May 2015). Of these 5,000 are aged 25-29.

### **Estimation of additional client available through churn**

The project is programmed to run for two and a half years. During that time new clients will become available for engagement for two main reasons:

- They become eligible through age (those currently age 14 will become eligible by 2018).
- Their labour market or educational status changes and renders them eligible.

Others will become ineligible as they move into work or education without assistance from the programme. Finally, numbers will be affected by those moving in and out of the area.

This is not a straight forward calculation and a large number of assumptions have been made, so conclusions should be treated with caution.

Over the period of the two years of the operation of the project around 70,000 young people will reach their 16<sup>th</sup> birthday (*ONS 2014 population estimates*). If we assume a NEET average of around 5%, then around 3,500 further potential clients would become available to engage. Although, of course, others would become too old for the project during the same period. This is however less of an issue, as there is a larger cohort of 25-29 year olds compared to the target for engagement.

In addition young people will become available through labour market churn, for instance as they leave education without employment or become unemployed from temporary work. Analysis of JSA data from the year to April 2015 (more recent data cannot be used as the introduction of UC has affected JSA flows) shows that over that period in Birmingham and Solihull there were a total of 37,000 on-flows of clients aged 16-29. This averages at around 3,000 each month, with around one half being in the 18-24 age range. The average monthly number of claimants aged 18-24 in Birmingham and Solihull over that period was around 13,000. Note that unemployment is higher then, than it is now, so current numbers are likely to be lower.

The evidence therefore shows that the unemployment register is very dynamic. However, it is not possible to state how many of these are 'real' opportunities to engage totally new clients, as some will be repeats, as young people move repeatedly in and out of employment and unemployment. Also, there will be a partial overlap with the 3,500 estimated to reach their 16<sup>th</sup> birthday. But the on-flow data suggests that the potential client base is larger than the absolute numbers of unemployed.

### **Contact officer**

Lesley Bradnam

Economic Research & Policy Team, Birmingham City Council

Tel: 0121 464 2114 Email: [Lesley.bradnam@birmingham.gov.uk](mailto:Lesley.bradnam@birmingham.gov.uk)

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## DATA APPENDIX

**Table 1: YEI – estimation of size of current client base**

Source: ONS APS Oct 14-Sept 15

<b>Unemployed</b>									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
16-19	5,000	18,100	28%	800	4,200	19%	5,800	22,300	26%
20-24	9,500	52,500	18%	1,300	8,700	14%	10,800	61,200	18%
25-29 estimated*	3,500	64,000	5%	450	8,400	5%	3,950	72,400	5%
<b>Estimate 16-29</b>	<b>18,000</b>	<b>134,600</b>	<b>13%</b>	<b>2,550</b>	<b>21,300</b>	<b>12%</b>	<b>20,550</b>	<b>155,900</b>	<b>13%</b>
<b>Economically inactive</b>									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
16-19	43,300	61,400	71%	7,600	11,800	65%	50,900	73,200	70%
20-24	33,800	86,200	39%	3,500	12,200	29%	37,300	98,400	38%
25-29 estimated*	21,200	85,200	25%	1,600	10,000	16%	22,800	95,200	24%
<b>Estimate 16-29</b>	<b>98,300</b>	<b>232,800</b>	<b>42%</b>	<b>12,700</b>	<b>34,000</b>	<b>37%</b>	<b>111,000</b>	<b>266,800</b>	<b>42%</b>
<b>In full time education (subset of inactive)</b>									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
Estimated 16-17**	27,000	30,000	90%	5,310	5,900	90%	32,310	35,900	90%
18-24	50,400	117,600	42.9	6,500	18,100	35.8	56,900	135,700	42%
Estimated 25-29***	4,260	85,200	5%	500	10,000	5%	4,760	95,200	5%
<b>Estimate 16-29</b>	<b>81,660</b>	<b>232,800</b>	<b>35%</b>	<b>12,310</b>	<b>34,000</b>	<b>36%</b>	<b>93,970</b>	<b>266,800</b>	<b>35%</b>

\*Based on 50% of the 25-34 cohort

\*\*Based on 90% of the total 16-17 cohort

\*\*\* Based on 5% of the total 25-29 cohort

**Table 2: Out of work benefit claimants aged 16-29 Birmingham and Solihull**

Source: DWP/ONS/BCC

Job Seekers Allowance Dec 15				Universal Credit 'not in work' Dec 15				Employment Support Allowance May 15			
Age	B'ham	S'hull	Total	Age	B'ham	S'hull	Total	Age	B'ham	S'hull	Total
16-19	675	55	730	16-19	758	107	865	Under 18	90	20	110
20-24	2,770	210	2,980	20-24	1,609	130	1,744	18-24	4,420	570	4,990
25-29	3,415	190	3,605	25-29	781	64	844	25-29	4,520	505	5,025
<b>16-29</b>	<b>6,860</b>	<b>455</b>	<b>7,315</b>	<b>16-29</b>	<b>3,150</b>	<b>307</b>	<b>3,455</b>	<b>16-29</b>	<b>9,030</b>	<b>1,095</b>	<b>10,125</b>





# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>Strategic Director for People</b>	
<b>Date of Decision:</b>	<b>16 February 2016</b>	
<b>SUBJECT:</b>	<b>UPDATE REPORT ON ACADEMY CONVERSIONS FOR PERIOD – SEPTEMBER TO DECEMBER 2015</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 Brigid Jones, Children Services</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Susan Barnett, Education and Vulnerable Children</b>	
<b>Wards affected:</b>	<b>Lozells &amp; East Handsworth, Aston, Weoley, Kings Norton, Ladywood, Washwood Heath, Nechells, Stechford &amp; Yardley North, Acocks Green and Bournville</b>	

<b>1. Purpose of report:</b>
<p>1.1 To provide an update to Cabinet to ensure that Members are fully aware of all of the schools that have converted to Academy status during the period September – December 2015 and advise Cabinet on the number of schools that are in the process of conversion and the proposed target conversion dates for those schools.</p>

<b>2. Decision(s) recommended:</b>
Cabinet is recommended to:
<p>2.1 Note that individual Academy Conversion Reports will no longer be received by Cabinet and that this report will be received quarterly.</p> <p>2.2 Note that the following schools have converted to Academy status between September and December 2015: Heathfield Primary School, Prince Albert Junior &amp; Infant School, Jervoise Junior &amp; Infant School, Wychall Junior &amp; Infant School and St Thomas CE Primary School – for full details see attached as Appendix 1.</p> <p>2.3 Note that 125 year leases and Commercial Transfer Agreements (CTAs) are now in place for all of the schools listed above with the exception of St Thomas CE Primary School due to this being a Voluntary Aided School, for which the land and buildings were already vested with the Diocese of Birmingham.</p> <p>2.4 Note that there are currently 7 other schools in the process of conversion and these are: Highfield Junior &amp; Infant School, Manor Park Primary School, Harper Bell School, Cockshut Hill Technology College, St Francis CE Aided School, Aston Tower Community Primary School and Cottesbrooke Junior School – for full details see attached as Appendix 2.</p>

<b>Lead Contact Officer(s):</b>	<b>Jaswinder Didially</b> Head of Education & Skills Infrastructure
<b>Telephone No:</b>	0121 303 8847
<b>E-mail address:</b>	<a href="mailto:Jaswinder.didially@birmingham.gov.uk">Jaswinder.didially@birmingham.gov.uk</a>

### **3. Consultation**

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

#### **3.1 Internal**

The Interim Executive Director for Education has been consulted on the report and agrees its content.

The former Deputy Chief Executive, Deputy Leader, Chair of the Education & Vulnerable Children Overview & Scrutiny Committee and relevant Ward Councillors were consulted on all of the individual Academy conversion reports and any comments were recorded in those reports.

#### **External**

The Secretary of State issued Academy Orders attached as Appendix 3 requiring the conversion of these schools.

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

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

The Academies Conversion Programme is a Central Government Policy.

#### **4.2 Financial Implications**

The corporate legal costs and potential external legal costs associated with the conversion of these schools will be met from individual school contributions and earmarked resources within the Education & Skills Infrastructure Budget (total gross budget of £2,698k) for the purposes of the Academy conversion process.

In line with the Charging Policy which was implemented on 1<sup>st</sup> October 2013 schools will pay a contribution towards the costs associated with conversion, for Community Schools the charge is £5,000, for Community PFI Schools the charge is £10,000 and for transfers associated with VA, VC or Foundation Schools individual charges are applied dependent on work required.

All of the schools that have converted were in surplus at the point of conversion. Any surplus budget remaining at the point of conversion will transfer to the Academy. There are no other financial implications for the City Council associated with these conversions.

#### **4.3 Legal Implications**

The Secretary of State for Education has issued the Orders under the Academies Act 2010, which requires all concerned parties to facilitate the creation of the Academies. The Council has power under Sections 120 – 123 of the Local Government Act 1972 to hold and dispose of land, including the use of General Disposals Consent 2003.

#### **4.4 Public Sector Equality Duty**

The Academies Conversion Programme is a Central Government Policy.

An initial Equality Analysis was undertaken in February 2014 (EA000046) and the outcome indicated that a Full Equality Analysis was not required.

<b>5.</b>	<b>Relevant background / chronology of key events:</b>
5.1	The Academies Act 2010 empowered the Secretary of State for Education to create Academies through Academy Orders.
5.2	Academy Orders were received for the schools identified in Section 2.2. (see Appendix 3) and the relevant processes were completed to enable the schools to convert
5.3	The land and assets were transferred to the Academies via a lease in the form prescribed by the DfE for 125 years at a peppercorn rent. The terms of the lease state that the land must be used for educational purposes.
5.4	Where an Academy is failing or the Funding Agreement has been terminated there is now an option contained in the Funding Agreement in favour of the Secretary of State to acquire land at nil consideration without Local Authority (landlord) consent. The purpose of this option is to ensure the Secretary of State is able to arrange for the continuing education of the pupils between the period where the existing trust has failed and handover to another Academy Trust has not been affected. There is an expectation that another Academy Trust may take over the running of the Academy but if there is no alternative trust, then the Secretary of State may decide the land reverts back to the Local Authority
5.5	In addition, members of staff that were currently employed by the City Council have transferred under the Transfer of Undertakings (Protection of Employment) Regulations 2006 to the Academy Trust as well as the assets of the school under Commercial Transfer Agreement (CTA). The statutory TUPE consultation process with Staff and the Unions took place for all of the schools listed in Section 2.2.
5.6	In the case of some Academy conversions scheduled maintenance works, funded from the DfE grant, may take place after the school has converted. However, no works have been identified on these Schools in the Capital Maintenance Programme 15 / 16.

<b>6.</b>	<b>Evaluation of alternative option(s):</b>
6.1	A do nothing option is not available, as the Secretary of State has reserved powers in the Academies Act 2010 which enable her to make directions to override any ability of the City Council to make executive decisions with regard to land.

<b>7.</b>	<b>Reasons for Decision(s):</b>
7.1	The reason for the report is to ensure Members are aware of all of the schools that have converted to or are in the process of converting to Academies within the 3 month period.

Signatures		<u>Date</u>
Cabinet Member Children Services: Cllr Brigid Jones	.....	.....
Strategic Director for People: Peter Hay	.....	.....

List of Background Documents used to compile this Report:
Relevant Officer's file(s).

List of Appendices accompanying this Report :
1. Schools converted to Academy status between September and December 2015
2. Schools in the process of conversion post December 2015
3. Various Academy Orders

Report Version	<u>V4</u>	Dated	<u>02/02/16</u>
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## APPENDIX 1 – SCHOOLS CONVERTED BETWEEN SEPTEMBER AND DECEMBER 2015

SCHOOL	CATEGORY	WARD	SPONSOR	CONVERSION DATE
Heathfield Primary School	Community	Aston	Prince Albert Community Trust	1 <sup>st</sup> September 2015
Prince Albert Junior & Infant School	Community	Lozells & East Handsworth	Prince Albert Community Trust	1 <sup>st</sup> September 2015
Jervoise Junior & Infant School	Community	Weoley	Drb Ignite Academy Trust	1 <sup>st</sup> October 2015
Wychall Primary School	Community	Kings Norton	Drb Ignite Academy Trust	1 <sup>st</sup> October 2015
St Thomas CE Primary School	Voluntary Aided	Ladywood	Diocese of Birmingham	1 <sup>st</sup> November 2015



## APPENDIX 2 – SCHOOLS IN THE PROCESS OF CONVERSION

SCHOOL	CATEGORY	WARD	SPONSOR	TARGET CONVERSION DATE
Highfield Junior & Infant School	Community	Washwood Heath	Prince Albert Community Trust	1 <sup>st</sup> February 2016
Manor Park Primary School	Foundation	Nechells	ReaCH2 Academy Trust	1 <sup>st</sup> February 2016
Harper Bell School	Voluntary Aided	Nechells	Diocese of Birmingham	1 <sup>st</sup> March 2016
Aston Tower Community Primary School	Community	Aston	N / A	1 <sup>st</sup> April 2016
Cottesbrooke Junior School	Community	Acocks Green	Joining Robin Hood Academy Trust	1 <sup>st</sup> April 2016
St Francis CE Primary School	Voluntary Aided	Bournville	Diocese of Birmingham	1 <sup>st</sup> April 2016
Cockshut Hill Technology College	Community PFI	Stechford & Yardley North	Ninestiles Academy Trust	1 <sup>st</sup> September 2016







**Rt Hon Nicky Morgan MP**  
**Secretary of State for Education**

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Heathfield Primary School**

**Birmingham City Council**

### **ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Heathfield Primary School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Heathfield Primary School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

---

Signed:..... Date: 19 March 2015

**Pank Patel,**  
**Regional Schools Commissioner**



Rt Hon Nicky Morgan MP  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 · [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

To: The Chair of Governors of Prince Albert Junior and Infant School  
Birmingham City Council

### ACADEMY ORDER

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Prince Albert Junior and Infant School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Prince Albert Junior and Infant School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

---

Signed:.....  Date: 19 March 2015

**Pank Patel,**  
Regional Schools Commissioner



Rt Hon Nicky Morgan MP  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of St Thomas' Church of England VA Primary School**  
**Birmingham City Council**

### **ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date St Thomas' Church of England VA Primary School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain St Thomas' Church of England VA Primary School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.....

Date: 6 November 2014

**Pank Patel,**  
**Regional Schools Commissioner**





Rt Hon Nicky Morgan MP  
Secretary of State for Education

Sanctuary Buildings, Great Smith Street, Westminster, London, SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Jervoise School**  
**Birmingham City Council**

### **ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Jervoise School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Jervoise School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed: \_\_\_\_\_

Date: 15 January 2015

**Pank Patel,**  
**Regional Schools Commissioner**



**Rt Hon Nicky Morgan MP**  
**Secretary of State for Education**

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Wychall Primary School**

**Birmingham City Council**

**ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Wychall Primary School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Wychall Primary School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed: .....

Date: 15 January 2015

**Pank Patel,**  
**Regional Schools Commissioner**





**Rt Hon Nicky Morgan MP**  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Aston Tower Community Primary School**  
**Birmingham City Council**

### **ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Aston Tower Community Primary School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Aston Tower Community Primary School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.....

Date: 21 December 2015

**Pank Patel,**  
**Regional Schools Commissioner**



Rt Hon Nicky Morgan MP  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Cockshut Hill Technology College**  
**Birmingham City Council**

**ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Cockshut Hill Technology College shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Cockshut Hill Technology College.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.....

Date: 9 July 2015

**Pank Patel,**  
**Regional Schools Commissioner**



**Rt Hon Nicky Morgan MP**  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of Cottesbrooke Junior School**

**Birmingham City Council**

**ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Cottesbrooke Junior School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Cottesbrooke Junior School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.......... Date: 21 December 2015

**Pank Patel,**  
**Regional Schools Commissioner**





Rt Hon Nicky Morgan MP  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

To: The Chair of Governors of Manor Park Primary School  
Birmingham City Council

### ACADEMY ORDER

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date Manor Park Primary School shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain Manor Park Primary School.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.....*C. Menashe-Jones*..... Date: 25 March 2015

Claudine Menashe-Jones,  
Director, Academies Group



**Rt Hon Nicky Morgan MP**  
Secretary of State for Education

Sanctuary Buildings Great Smith Street Westminster London SW1P 3BT  
tel: 0370 000 2288 [www.education.gov.uk/help/contactus](http://www.education.gov.uk/help/contactus)

**To: The Chair of Governors of St Francis Church of England Aided  
Primary School and Nursery**

**Birmingham City Council**

**ACADEMY ORDER**

1. This is an Academy Order made further to section 4 of the Academies Act 2010.
2. I hereby order that on the conversion date St Francis Church of England Aided Primary School and Nursery shall be converted into an Academy.
3. The conversion date shall be the date that the school opens as an Academy further to and as provided for in Academy arrangements made further to section 1 of the Academies Act 2010.
4. On the conversion date Birmingham City Council shall cease to maintain St Francis Church of England Aided Primary School and Nursery.
5. The independent school standards (as defined in section 157(2) of the Education Act 2002) are to be treated as met in relation to the Academy on the conversion date.

Signed on behalf of the Secretary of State for Education by:

Signed:.......... Date: 9 November 2015

**Pank Patel,**  
**Regional Schools Commissioner**

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>STRATEGIC DIRECTOR FOR PEOPLE</b>
<b>Date of Decision:</b>	<b>16 February 2016</b>
<b>SUBJECT:</b>	<b>SCHEME FOR CO-ORDINATED ADMISSIONS TO SCHOOLS, ADMISSION NUMBERS AND ADMISSION ARRANGEMENTS FOR 2017/18</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 000851/2016</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 Brigid Jones, Children and Family Services</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Susan Barnett, Education and Vulnerable Children</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To report the outcome of consultation on primary and secondary school admission numbers and the proposed scheme for co-ordinated admissions to schools and admission arrangements for community and voluntary controlled schools for the academic year 2017/2018.</p> <p>1.2 To agree the admission numbers detailed in Appendix 1(a) and agree the proposed scheme for co-ordinated admissions to schools and admission arrangements for community and voluntary controlled schools as detailed in Appendix 2 and 3 for the academic year 2017/2018.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet</p> <p>2.1 Approve the school admission numbers for community and voluntary controlled schools set out in Appendix 1(a) and note the admission numbers for academies and foundation and voluntary aided schools set out in Appendix 1(b).</p> <p>2.2 Approve the proposed scheme for co-ordinated admissions to schools and admission arrangements for community and voluntary controlled schools for the academic year 2017/2018 as set out in Appendix 2 and 3.</p>

<b>Lead Contact Officer(s):</b>	Julie Newbold – Head of School Admissions and Pupil Placements
<b>Telephone No:</b>	303 2268
<b>E-mail address:</b>	<a href="mailto:julie.newbold@birmingham.gov.uk">julie.newbold@birmingham.gov.uk</a>

### **3. Consultation**

Consultation should include those that have an interest in the decisions recommended. To this end, consultation on proposed admission numbers, admission arrangements and admission criteria for the September 2017 intake has taken place with the following:-

#### **3.1 Internal**

- An email was sent to all members inviting comments on the proposed admission arrangements.

#### **3.2 External**

- Governing Bodies of community and voluntary controlled primary and secondary schools in Birmingham.
- Governing Bodies of academies, voluntary aided and foundation primary and secondary schools (admission authorities) in Birmingham.
- Neighbouring local authorities (admission authorities that share a boundary with Birmingham).
- A public notice was placed in the Birmingham Mail informing the public that the proposed arrangements were available to view online and at the Council House Reception.
- An email was sent to all Birmingham schools asking them to include in their newsletters details of where parents could view the proposed admission arrangements.
- Information regarding the consultation was included on the Schools Noticeboard.
- The consultation was published on the Be Heard website.

Consultation was based on the proposed admission numbers set out in Appendices 1a and 1b. The proposed scheme for coordinated admissions to schools (Appendix 2) and proposed admission arrangements for community and voluntary controlled schools (Appendix 3).

Seven comments were received during the consultation. These comments and responses are included in Appendix 4.

Comments were received in respect of five voluntary aided schools admission arrangements. The comments were passed to the relevant governing body which is the admission authority for the school.

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

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

Yes – consistent with the Council's policies around education and safeguarding.

#### **4.2 Financial Implications**

There are no additional costs for these admission arrangements, all costs will be met from the School Admissions and Pupil Placements budget, Directorate for People.

#### 4.3 Legal Implications

This report exercises powers contained in Part III of the School Standards and Framework Act 1998 and discharges the duties contained in sections 88C and 88M of the Act and regulations made under the Act (the School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012 in relation to, respectively, determining the admission arrangements for maintained schools for which the authority is the admission authority and formulating a scheme for co-ordinating the arrangements for the admission of pupils to maintained schools and academies in the authority's area. All admission authorities, of which the local authority is one, are required to set ('determine') admission arrangements annually by 28 February. The arrangements so determined will apply to the next-but-one academic year (i.e. arrangements determined on 28 February 2016 will apply to the academic year 2017/18). Where changes are proposed to admission arrangements, the admission authority must first publicly consult on those arrangements by 31 January. If no changes are made to admission arrangements, they must be consulted on at least every 7 years. The local authority is also required to consult on and thereafter determine on an annual basis a co-ordinated admissions scheme which is to apply to the next-but-one academic year and to inform the Secretary of State that such a scheme has been adopted by no later than 28 February each year.

#### 4.4 Public Sector Equality Duty

The local authority has a statutory duty to co-ordinate centrally the admission arrangements of all maintained schools and academies in its area. The admission arrangements aim to provide for equality of access by parents and their children. The authority's objective admission criteria do not disadvantage particular social groups or those with special educational needs. An initial Equality Impact Assessment has been completed on 8 July 2014 (EA000124). and the need for a full assessment was not indicated.

The Equality Impact Assessment will be carried forward as part of the School Admissions & Pupil Placements Business Plan. The School Admissions and Pupil Placements Business Plan will monitor actions including; managers monitoring the use of the comments, compliments and complaints process taking particular account of equality and diversity; managers to monitor the number of preferences not received and the number of unrealistic preferences received; managers to monitor staff accreditation of the language increment allowance to allow communication with parent/carers in their first language

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

- 5.1 The Local Authority has a statutory duty to determine admission arrangements and publish admission numbers on an annual basis for each community and voluntary controlled school. For voluntary aided and foundation schools, the admission arrangements are determined and an admission number published by each school's governing body following consultation between governing bodies of such schools and the local authority. Admission numbers are based upon the available accommodation in each school and Appendix 1 (a) and (b) sets out the number of places proposed for September 2017. Appendix 2 sets out the proposed scheme for coordinated admissions to schools for 2017 and Appendix 3 sets out the proposed admission arrangements for community and voluntary controlled schools for 2017.

5.2 Consultation has taken place between 23 November 2015 and 8 January 2016 (minimum 6 weeks), as detailed in paragraph 3 above.

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

6.1 The consultation has not identified any support for alternative admission arrangements to those proposed.

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

7.1 To comply with the local authority's duties to determine primary and secondary admission numbers and admission arrangements and to have a single scheme for co-ordinating admissions to schools for 2017/18.

## **Signatures**

## **Date**

Councillor Brigid Jones  
Cabinet Member for Children  
Services .....

Peter Hay  
Strategic Director for People .....

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

School Standards and Framework Act 1998

School Admissions (Admission Arrangements and Co-ordination of Admission Arrangements) (England) Regulations 2012

School Admissions Code Issued by DfE - December 2014

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

1. (a) Community and voluntary controlled primary and secondary admission numbers for September 2017-18 intake.  
(b) Academies, foundation and voluntary aided and free schools admission numbers for September 2017-18 intake.
2. Proposed Scheme for Co-ordinated Admissions to Schools – September 2017-18
3. Proposed admission arrangements for community and voluntary controlled schools September 2017-18.
4. Comments and responses from consultation.

**Report Version**

**V4**

**Dated**

**02/02/2016**

## Appendix 1a

### Proposed Published Admission Numbers September 2017

**DfE = Department for Education Number**

**PAN = Published Admission Number**

#### Reception Intake - Community and Voluntary Controlled Schools

#### Infant, Primary & All-through Schools

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
2010	Adderley Primary School	90	90	
2153	Allens Croft Primary School	60	60	
2062	Anderton Park Primary School	90	90	
2479	Anglesey Primary School	90	90	
2300	Arden Primary School	90	90	
2443	Aston Tower Community Primary School	60	60	
3412	Audley Primary School	120	120	
2026	Banners Gate Primary School	60	60	
2014	Barford Primary School	60	60	
2239	Bellfield Infant School (NC)	60	60	
2456	Bells Farm Junior & Infant School	30	30	
2435	Benson Community School	60	60	
2025	Birches Green Infant School	60	60	
2297	Birchfield Community School	90	90	
2254	Blakesley Hall Primary School	90	90	
2402	Boldmere Infant School & Nursery	90	90	
2030	Bordesley Green Primary School	90	90	
2002	Bordesley Village Primary School	60	60	
2238	Broadmeadow Infant School	60	60	
2034	Brookfields Primary School	60	60	
2465	Calshot Primary School	60	60	
2039	Canterbury Cross Primary School	60	60	
2312	Chad Vale Primary School	60	60	
2305	Chandos Primary School	60	60	
2040	Cherry Orchard Primary School	60	60	
2251	Chilcote Primary School	60	60	
3002	Christ Church CofE Controlled Primary School	30	30	
3432	Clifton Primary School	120	120	
2185	Colebourne Primary School	60	60	
2052	Colmers Farm Infant School	60	60	
2054	Colmore Infant & Nursery School	120	120	
2082	Conway Primary School	60	60	
2055	Cotteridge Junior & Infant School	60	60	
2191	Court Farm Primary School	30	30	
2060	Cromwell Junior & Infant School	30	30	



DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2284	Deykin Avenue Junior & Infant School	30	30	
2454	Elms Farm Community Primary School	60	60	
2294	Featherstone Primary School	60	60	
2475	Firs Primary School	60	60	
2486	Forestdale Primary School	30	30	
2079	George Dixon Primary School	60	60	
2081	Gilbertstone Primary School	60	60	
2296	Glenmead Primary School	60	60	
2448	Gossey Lane Junior Infant & Nursery School	30	30	
2086	Greet Primary School	120	120	
2087	Grendon Junior & Infant School (NC)	60	60	
2466	Grove School	90	90	
2091	Gunter Primary School	30	30	
2093	Hall Green Infant School	120	120	
2477	Harborne Primary School	150*	90	In light of the changes introduced by the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013, governing bodies of all categories of mainstream school can now make expansions (enlargement of premises) to their schools without following a formal statutory process. Due to complications with securing land approvals for the additional build however, LA is due to submit an in-year variation to reduce PAN for 2016 to 90. This variation is currently out for consultation until 4 <sup>th</sup> March 2016 before seeking a decision from Schools Adjudicator.
2099	Hawthorn Primary School	30	30	
2313	Heath Mount Primary School	60	60	
2101	Highfield Junior & Infant School	120	120	
2438	Highters Heath Community School	30	30	
3430	Hodge Hill Primary	120	120	
2429	Holland House Infant School & Nursery	60	60	
2288	Hollywood Primary School	60	60	
2015	James Watt Primary School	60	60	
2005	Kings Heath Primary School	90	90	
2118	Kings Norton Junior & Infant School	60	60	
2115	Kingsland Primary School (NC)	45	45	
2441	Kingsthorpe Primary School	60	60	



DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2321	Kitwell Primary School and Nursery Class	30	30	
2189	Ladypool Primary School	60	60	
2119	Lakey Lane Junior & Infant School	60	60	
2127	Lozells Junior & Infant School and Nursery	60	60	
2129	Lyndon Green Infant School	90	90	
2420	Maney Hill Primary School	60	60	School Organisation proposal approved at Cabinet in December 2015 for permanent expansion from September 2016.
2004	Mapledene Primary School	45	45	
2132	Marlborough Infant School	90	90	
2133	Marsh Hill Primary School	60	60	
2246	Meadows Primary School (The)	90	90	
2406	Minworth Junior & Infant School	30	30	
2142	Nelson Junior & Infant School	60	60	
2457	Nelson Mandela School	60	60	
2469	New Hall Primary	45	45	
3431	New Oscott Primary School	90	90	
2315	Nonsuch Primary School	30	30	
2018	Oaks Primary School (The)	60	60	
2436	Osborne Primary School	30	30	Plans underway with LA on an expansion from Sept 2016 which will increase PAN to 60. This expansion is pending school organisation approval
2447	Oval Primary School (The)	90	90	
2021	Paganel Primary School	60	60	
2149	Paget Primary School	60	60	
2150	Park Hill Primary School	90	90	Subsequent discussion with LA regarding a cap of 60 for 2016 PAN (only) in line with local need, pending subsequent approvals
2425	Penns Primary School	30	30	
2017	Perry Beeches Infant School	90	90	
2156	Princethorpe Infant School	60	60	
3004	Quinton Church Primary School	30	30	
2157	Raddlebarn Primary School	60	60	
2159	Redhill Junior & Infant School	30	30	
2161	Rednal Hill Infant School	90	90	
2063	Regents Park Community Primary School	90	90	
2169	Severne Junior Infant and Nursery School	60	60	
2008	Shaw Hill Primary School	60	60	
2174	Sladefield Infant School	120	120	
2176	Somerville Primary (NC) School	90	90	
3413	Springfield Primary School	90	90	

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2183	St Benedict's Infant School	150	150	
3010	St James Church of England Primary School, Handsworth	60	60	
3025	St Mary's Church of England Primary School	60	60	
3016	St Matthew's CofE Primary	30	30	
3428	St Peter's CofE Primary School	60	60	
3019	St Saviour's CofE Primary School	60	60	
2178	Stanville Primary School	30	30	
2179	Starbank School	180	180	
2184	Stechford Primary School	60	60	
2188	Stirchley Community School	30	30	
2097	Story Wood School & Children's Ctr	30	30	
2067	Summerfield Junior & Infant School	60	60	
2190	Sundridge Primary School	30	30	
2192	Thornton Primary School	30	30	
2273	Topcliffe Primary School	30	30	
2442	Turves Green Primary School	60	60	
2108	Ward End Primary School	120	120	
2306	Water Mill Primary School	30	30	
2482	Wattville Primary School	60	60	
2308	Welford Primary School	60	60	
2245	Welsh House Farm Community School	30	30	
2019	West Heath Primary School	60	60	
2471	Westminster Primary School	60	60	
2011	Wheeler's Lane Primary School	90	90	
2276	Wilkes Green Infant School (NC)	90	90	
2445	Woodcock Hill Primary School	30	30	
2278	Woodgate Primary School	60	60	
2314	Woodthorpe Junior & Infant School	30	30	
2317	World's End Infant & Nursery School	90	90	
2412	Wylde Green Primary School	60	60	
3421	Yardley Primary School	120	120	
2227	Yardley Wood Community Primary School	60	60	
2485	Yenton Primary School	90	90	School Organisation proposal approved at Cabinet in December 2015 for permanent expansion from September 2016.
2180	Yew Tree Community Junior & Infant School (NC)	60	60	
2231	Yorkmead Junior & Infant School	60	60	
-	<b>Total</b>	<b>8625</b>	<b>8565</b>	

### **Year 3 Intake - Community and Voluntary Controlled Schools Junior & Primary Schools**

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
2241	Bellfield Junior (SU) School	60	60	
2024	Birches Green Junior School	60	60	
2401	Boldmere Junior School	90	90	
2236	Broadmeadow Junior School	60	60	
2051	Colmers Farm Junior School	60	60	
2053	Colmore Junior School	120	120	
2226	Cottesbrooke Junior School	90	90	
2092	Hall Green Junior School	120	120	
2128	Lyndon Green Junior School	90	90	
2283	Marlborough Junior School	90	90	
2016	Perry Beeches Junior School	90	90	
2155	Princethorpe Junior School	60	60	
2160	Rednal Hill Junior School	90	90	
2192	Thornton Primary School	150	150	Thornton Primary School has a smaller Infant than Junior capacity (30 / 150) therefore pupils already on roll in the School's Year 2 will automatically be transferred into Year 3. The remaining vacancies in Year 3 will be offered to applicants in accordance with the School's admissions criteria
2293	Wilkes Green Junior School	90	90	
2225	World's End Junior School	90	90	
-	<b>Total</b>	<b>1410</b>	<b>1410</b>	

### **Year 7 Intake - Community Schools Secondary & All-through Schools**

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
4333	Balaam Wood School	97	97	
4115	Bordesley Green Girls' School & Sixth Form	120	120	
4233	Cockshut Hill Technology College	270	270	Discussion underway with LA on potential reduction to PAN from Sept 2016.
4201	Hodge Hill College	240	240	
4015	Hodge Hill Girls' School	150	150	
4223	Holte School	192	192	
4244	International School (The)	*180	120	Discussion underway with LA on reduction

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
				of PAN to 120 from Sept 2016.
4301	John Willmott School	195	195	
4063	Kings Heath Boys'	120	120	
4330	Kingsbury School & Sports College	180	180	
4177	Selly Park Technology College for Girls'	140	140	
2179	Starbank School	180	180	Starbank Primary School is an 'all-through' school (with effect from Sept 2014) therefore pupils already on roll in the School's Year 6 will automatically be transferred into Year 7 from September 2015 and September 2016. Any remaining vacancies in Year 7 will be offered to applicants in accordance with the School's admissions criteria.
4237	Swanshurst School	300	300	
4188	Turves Green Boys' School	150	150	School Organisation proposal determined for expansion under the Priority Schools Building Programme from Sept 2016.
4193	Wheeler Lane Technology College	*125	125	Discussion underway with LA on potential increase of PAN to 130 from Sept 2016.
-	<b>Total</b>	<b>2639</b>	<b>2579</b>	



## **PROPOSED SCHEME FOR THE CO-ORDINATED ADMISSIONS TO SCHOOLS AND ACADEMIES – SEPTEMBER 2017 / 2018**

### **Contents**

1. Background
2. Admission authority for each type of school
3. Parents right to apply for a school
4. The application process for in-year admission
5. The application process for primary and secondary normal admission rounds
6. Determining the offer of school places
7. Timetable for primary and secondary normal admissions rounds for 2017/2018
8. Late applications
9. Foundation, trust and voluntary aided schools
10. Academies and free schools
11. Selective schools
12. Fair Access Protocol
13. Relevant area

## **1. Background**

- 1.1 This scheme applies to all primary and secondary maintained schools, academies and free schools (excluding special schools) in Birmingham for the academic year 2017 / 2018 and is made under the provisions of the School Standards and Framework Act 1998, as amended by the Education Act 2002, and The School Admissions (Co-ordination of Admission Arrangements) (England) Regulations 2012.
- 1.2 The School Admissions and Pupil Placements Service, on behalf of the Local Authority and other admission authorities in Birmingham, will co-ordinate applications made during the normal admissions round (i.e. applications for Reception Year, Year 3 at a Junior School, Year 7 and, in the case of 14-19 Academies, Year 10). Parents/carers resident in Birmingham who are applying for a place for their child in September 2016 will make a single application to the Local Authority (School Admissions and Pupil Placements Service) for any Birmingham maintained school, academy or free school or any such school or academy in a neighbouring authority.
- 1.3 For the academic year 2017 / 2018 and subsequent years, subject to any review, applications made outside the normal admissions round (i.e. in-year applications) will be made directly to individual schools or academies.
- 1.4 Birmingham City Council is the relevant admission authority for all community and voluntary controlled schools within the City.
- 1.5 For voluntary aided and foundation schools (including Trust schools), academies and free schools, governing bodies of such schools are the admission authority.
- 1.6 Co-ordination schemes do not affect the rights and duties of the governing bodies of voluntary aided and foundation schools (including Trust schools), academies and free schools to set and apply their own admission arrangements and oversubscription criteria, but they must ensure that their own arrangements are compatible with the Local Authority's admission arrangements and co-ordinated scheme.

## **2. Admission Authority for each type of school in Birmingham**

There are a number of different school types in Birmingham:

<b>Type of School</b>	<b>Who is the admission authority?</b>
Academies (inc. Free Schools)	Academy Trust
Community Schools	Local Authority
Foundation Schools	Governing Body
Voluntary Aided Schools	Governing Body

Voluntary Controlled Schools	Local Authority
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### 3. **Parents' right to apply for a school**

Birmingham City Council, as a Local Authority, must enable parents and carers to say where they would prefer their child to go to school. The law does not give parents a right to “choose” which school their child will attend.

Subject to certain exceptions an admission authority must comply with any preference expressed by a parent/carers as to the school at which their child should be educated.

#### **Exceptions**

The law recognises that it may not always be possible to carry out parents' wishes, for a number of reasons:

- because this would “prejudice the provision of efficient education or the efficient use of resources”, e.g. because a particular school may be full (i.e., it has already admitted pupils up to the Published Admission Number for the child's year group);
- because it is a selective (grammar) school and the child has not reached the required academic standard for entry to a selective school;
- because the child has been permanently excluded from two or more schools and the most recent of the exclusions took place within the last two years;
- because the school's statutory infant class size limit of 30 has been reached.

### 4. **The application process for in-year admissions**

- 4.1 In-Year applications may arise for a number of reasons, for example, where a family has moved to Birmingham or if a parent/carers wishes to move their child from one school to another at a time outside the normal admissions round.
- 4.2 The Local Authority, schools and academies will work together to coordinate in-year applications.
- 4.3 The local authority will provide a Local Authority Preference Form for parents to complete when applying for a school place and will provide details of schools with places available.
- 4.4 In the first instance, parents will be requested to make applications directly to the school(s) concerned. Parents/carers can apply for a place for their child at any time and to any school.
- 4.5 The law relevant to admissions states schools and academies must, on receipt of an in-year application, notify the local authority of both the application and its outcome, this will also allow the local authority to

keep up to date with figures on the availability of school places in Birmingham.

- 4.6 Parent/carers who live in Birmingham who have not been offered their preferred school will be advised of their right of appeal.
- 4.7 Children who are not offered a place at any of their preferred schools, following consultation with another admission authority if appropriate, will be offered a place at a Birmingham Local Authority maintained school, academy or free school near to the child's home address, that has a vacancy.
- 4.8 The Local Authority will be informed by schools and academies of any child who has not taken up a school place so that appropriate action can be taken.
- 4.9 Children who live in Birmingham whose parents have refused the school place offered may be issued with a formal notice advising of their legal requirement to ensure that their child is in receipt of a suitable education whether in school or otherwise.
- 4.10 Where a child is not receiving suitable education, further action may be taken against a parent under Birmingham Local Authority's School Attendance process.

## **5. The application process for primary and secondary normal admission rounds**

### **5.1 All rounds**

- 5.1.1 Applications made on behalf of children with Statements of Special Educational Needs or an Education Health and Care Plan will be considered by the Special Educational Needs Assessment and Review Service (SENAR), in accordance with parental preference and each child's individual needs, taking account of Birmingham City Council's inclusion policy and any consultation required with school governing bodies.
- 5.1.2 Birmingham Local Authority's School Admissions and Pupil Placements Service will obtain names of all children who are looked after and will verify details for those applicants who indicate that their child was previously looked after but ceased to be so because they were adopted (or became subject to a residence or special guardianship order) within the appropriate age range, from the Looked After Children Education Service (LACES). Places for these children will be considered in accordance with each school's admission criteria.

### **5.2 Starting Reception Class**



- 5.2.1 If a child attends a nursery class, this does not mean that he or she will automatically get a place in the primary or infant school to which the nursery is linked or attached. Parents with children in a nursery class must apply for a Reception Class place at the school in the same way as other parents.
- 5.2.2 By law, parents must ensure that their children are receiving suitable full-time education at the beginning of the term after their 5<sup>th</sup> birthday. However, in Birmingham, children are admitted to Reception Class in the September at the start of the academic year in which they reach five years of age.
- 5.2.3 Parents may, however, defer their child's admission to primary or infant school until later in the school year, but not beyond the beginning of the first academic term after the child's fifth birthday (the time when the child reaches compulsory school age). Alternatively, a parent may make a request for their child to be admitted on a part-time basis during the Reception Class year but not beyond the point that they reach compulsory school age.
- 5.2.4 A child who reaches the age of five during the 2017 / 2018 summer term would reach compulsory school age in September 2018. However, it is not possible to accept a place in the Reception Class for 2017 / 2018 but defer the child's admission until the beginning of the 2018 / 2019 academic year, and if a child did not take up their place in a Reception Class in 2017/18 a separate application would need to be made for the child to enter the school in Year 1.
- 5.2.5 Parents of children who reach the age of five during the summer term of the 2017 / 2018 academic year who are considering deferring their child's admission to primary or infant school until the beginning of the 2018 / 2019 academic year should note that, as the overwhelming majority of children in Birmingham start school at the start of the academic year in which they reach the age of five, it is likely that some or all of the parents' preferred schools will not have vacancies in their child's year group if they apply for a place in Year 1 (these places having been allocated to children who started school the previous year).
- 5.2.6 On very rare occasions, for example due to a child's ill health, premature birth or children born in the summer, parents/carers may believe it to be in their child's best interests to be admitted to Reception Class rather than Year 1, outside their child's normal age group. These requests will be considered by the admission authority of the school(s) and a decision made on the basis of the circumstances of each case and also in the best interests of the child concerned. Parents do not have the right to insist that their child is admitted to a particular age group.
- 5.2.7 Where a parent wishes to request admission out of the normal age group for their child, they should still make an application for their child's normal age group at the usual time. At the same time, the parent

should submit their request for their child to be admitted out of their normal age group to the relevant admission authority, together with supporting evidence.

- 5.2.8 The admission authority will then consider the request, taking into account the views of the head teacher at the relevant school. The admission authority must ensure that the parent receives the response to their request before primary national offer day.
- 5.2.9 If the request is agreed, the application for the normal age group may be withdrawn and the parent must make a new application for a place in Reception Class as part of the main admissions round the following year. If the request is refused, the parent must decide whether to accept the offer of a place for the normal age group, or to refuse it and make an in year application for admission to Year 1 for the September following the child's fifth birthday.
- 5.2.10 One admission authority cannot be required to honour a decision made by another admission authority on admission out of the normal age group. Parents, therefore, should consider whether to request admission out of the normal year group at all their preference schools, rather than just their first preference schools.
- 5.2.11 In October 2016, the local authority will write to parents/carers of children who are on roll at a community or private nursery advising them of how to apply for a Reception Class place online and of where to obtain the primary information booklet. Copies of the booklet and posters advertising the process will be displayed at all Birmingham primary schools, libraries, private and community nurseries.
- 5.2.12 Parents should apply on-line, however Local Authority Preference Forms will also be available from schools and the School Admissions and Pupil Placements Service for parents who do not have access to the internet. Applications should be completed by 2 December 2016. Proof of address will be required to be provided to the School Admissions and Pupil Placements Service. The School Admissions and Pupil Placements Service will accept applications until 16 January 2017. Applications received after this date will be treated in accordance with the procedure for late applications.
- 5.2.13 Parents will be allowed to express up to three preferences for their child to be admitted to any maintained primary or infant school or academy or free school inside or outside the Birmingham Local Authority area.
- 5.2.14 Applications made online will receive an immediate email confirmation when the application is submitted. Applications made on a paper form and those online applicants who have not provided an email address will receive an acknowledgment letter through the post.

- 5.2.15 Data will be exchanged with other admission authorities and other local authorities as detailed in Section 7.
- 5.2.16 The School Admissions and Pupil Placements Service will send sibling reports to schools and academies for verification.
- 5.2.17 The School Admissions and Pupil Placements Service will compare ranked parental preferences for each school. All ranked preferences will be given equal consideration against schools' admission criteria. If the child ranks sufficiently highly within the admission criteria for two or more schools and could therefore potentially be offered a place at either school, the school the parent ranked highest will be offered.
- 5.2.18 Children who live in Birmingham that have not been offered one of their parents' three preferences, following consultation with another admission authority if appropriate, will be offered a place at one of their closest Birmingham Local Authority maintained primary or infant schools or academies or free schools with a vacancy.
- 5.2.19 Primary / infant schools will verify the child's date of birth at either the time of acceptance of the offer or at the school's induction day. Offers will be conditional on providing valid proof of date of birth.

### 5.3 Transfer from Infant School to Junior School (Year 2 to Year 3)

- 5.3.1 If a child attends an infant school, it is necessary for the child to transfer to a different school for his/her junior education.
- 5.3.2 In October 2016, parents/carers with a child in Year 2 at an infant school will be sent a letter advising them how to apply online for a Year 3 place at a junior school or any other primary. A supply of application forms will also be available from infant schools, junior schools and the Local Authority for those who do not have access to the internet. The same timetable and process as Reception Class admissions above will be used.
- 5.3.3 Applications made online will receive an immediate email confirmation when the application is submitted. Applications made on a paper form and those online applicants who have not provided an email address will receive an acknowledgment letter through the post.
- 5.3.4 If a child attends a primary school (rather than an infant school) it is not necessary to apply for him / her to transfer at the end of Year 2.

### 5.4 Transfer from Year 6 to Secondary School

- 5.4.1 At the end of the Summer Term 2016, Birmingham Local Authority will invite parents of children who will transfer to secondary education in September 2017 to complete an online application form. The online system will be available from September 2016. Local Authority Preference Forms will also be available from schools and School

Admissions and Pupil Placements Service for parents who do not have access to the Internet.

- 5.4.2 All parents will be required to make an application to the Local Authority in which they live. By the second week in July 2016, all maintained primary and junior schools, academies and free schools and, where possible, the majority of independent primary schools in Birmingham, will be forwarded a letter for each Year 5 child living in Birmingham, inviting their parents/carers to make their application for a secondary school place online. A supply of the parents' information booklets will also be made available for each school and will also be available to view on the Birmingham City Council's website.
- 5.4.3 Parents of children who live in Birmingham but whose children attend a primary school outside Birmingham will be advised to make their application online or return a preference form to School Admissions and Pupil Placements Service by 31 October 2016.
- 5.4.4 Online applications and those submitted by post will be accepted up until 31 October 2016, which will be the absolute deadline for the submission of applications. Applications received after this date will be treated in accordance with the procedures for late applications as detailed in Section 8.
- 5.4.5 Applications to sit any selective or assessment tests are to be made via separate forms, to be returned by dates specified by the admission authority for the school concerned (i.e., the governing body of a foundation or voluntary aided school or Academy Trust for academies and free schools). No other separate application form will be required by admission authorities in Birmingham; however, some voluntary schools (particularly those with a religious character) have a Supplementary Information Form, which needs to be completed to determine which category a child should be placed in. These schools will be listed in the parents information booklet 'Secondary Education – Opportunities for your child in Birmingham' and on the School Admissions website.
- 5.4.6 Parents may express up to six preferences for their child to be admitted to any maintained school, Academy or Free School inside or outside Birmingham Local Authority.
- 5.4.7 Applications made online will receive an immediate email confirmation when the application is submitted. Applications made on a paper form and those online applicants who have not provided an email address will receive an acknowledgment letter through the post.
- 5.4.8 Data will be exchanged with other admission authorities and other local authorities as detailed in Section 7.
- 5.4.9 The School Admissions and Pupil Placements Service will compare ranked parental preferences for each school. All ranked preferences will be given equal consideration against schools' admission criteria. If

the child meets the admission criteria for two or more schools and could therefore potentially be offered a place at either school, the school the parent ranked highest will be offered.

- 5.4.10 Children who live in Birmingham who have not been offered one of their parents' six preferences, following consultation with another admission authority if appropriate, will be offered a place at one of their closest Birmingham Local Authority maintained secondary schools or academies or free schools with a vacancy.

## **5.5 Year 10 (in the case of 14-19 academies)**

- 5.5.1 At the start of the Autumn Term 2016, parents who wish to make an application for their child to transfer to Year 10 at a 14 -19 Academy in September 2017 will be able to make their application online. A supply of Local Authority Preference forms will be available from 14-19 Academies and School Admissions and Pupil Placements Service for those who do not have access to the Internet.
- 5.5.2 Applications to sit any selective or aptitude tests are to be made via separate forms, to be returned by dates specified by the Academy concerned.
- 5.5.3 Parents may express up to three preferences for their child to be admitted to any 14 - 19 Academy inside or outside of the Birmingham Local Authority area.
- 5.5.4 Applications made online will receive an immediate email confirmation when the application is submitted. Applications made on a paper form and those online applicants who have not provided an email address will receive an acknowledgment letter through the post.
- 5.5.5 Data will be exchanged with other admission authorities and other local authorities as detailed in Section 7.
- 5.5.6 The School Admissions and Pupil Placements Service will compare ranked parental preferences for each Academy. All ranked preferences will be given equal consideration against Academies' admission criteria. If the child meets the admission criteria for two or more 14 - 19 Academies and could therefore potentially be offered a place at either Academy, the Academy the parent ranked highest will be offered.
- 5.5.7 Children who live in Birmingham who have not been offered one of their parents' three preferences will continue to have a place at their current school and they will be added to the Academies' waiting lists and their parents/carers informed of their right of appeal.

## **6. Determining the offer of school places**

- 6.1 In determining applications for school places admission authorities must usually comply with parental preference.

In accordance with Section 86 of the School Standards and Framework Act 1998, with the exception of designated grammar schools, all maintained schools and Academies that have enough places available must offer a place to every child that has applied for one, without condition or the use of any criteria.

6.2 Children with challenging behaviour and those who have been excluded twice

Admission authorities must not refuse to admit children in the normal admissions round on the basis of their poor behaviour elsewhere. Where a child has been permanently excluded from two or more schools there is no need for an admission authority to comply with parental preference for a period of two years from the last exclusion. The twice excluded rule does not apply to children who were below compulsory school age at the time of the exclusion, children who have been re-instated following a permanent exclusion (or would have been had it been practicable to do so), and children with special educational needs statements/EHC plans.

## 7.

<b>Timetable for primary and secondary normal admissions rounds for 2017/2018</b>				
	<b>Reception</b>	<b>Junior (Yr 2- 3)</b>	<b>Secondary (Yr 6 –7)</b>	<b>Year 10 (14-19 academies)</b>
<b>Birth range</b>	01/09/12-31/08/13	01/09/09-31/08/10	01/09/05-31/08/06	01/09/02-31/08/03
<b>Final closing date for receipt of applications</b>	16 January 2017	16 January 2017	31 October 2016	30 January 2017
<b>Data exchange with other Local Authorities</b>	30 January 2017	30 January 2017	14 November 2016	6 February 2017
<b>Unranked preferences forwarded to Birmingham Admission Authorities</b>	6 February 2017	6 February 2017	23 November 2016	13 February 2017
<b>Sibling reports sent to schools and academies</b>	6 February 2017	6 February 2017	23 November 2016	13 February 2017
<b>Ranked preferences from Birmingham Admission Authorities and sibling reports from community schools/academies to be returned to Birmingham LA</b>	27 February 2017	27 February 2017	14 December 2016	27 February 2017
<b>Offer exchange with other Local Authorities</b>	6 March 2017 20 March 2017 27 March 2017	6 March 2017 20 March 2017 27 March 2017	6 January 2017 20 January 2017 30 January 2017 6 February 2017	20 March 2017
<b>Offer day – letters posted</b>	18 April 2017 (During Easter)	18 April 2017 (During Easter)	1 March 2017	3 April 2017
<b>Acceptance of any offer should be made by this date</b>	5 May 2017	5 May 2017	16 March 2017	17 April 2017
<b>Any appeal should be received by this date. (20 school days following notification that application was unsuccessful)</b>	22 May 2017	22 May 2017	29 March 2017	16 May 2017
<b>Appeals received on-time should be considered by this date (40 school days)</b>	18 July 2017	18 July 2017	9 June 2017	18 July 2017

## **8. Late applications**

In exceptional circumstances, Birmingham Local Authority may consider applications received after the final closing date, but before the exchange of data with other admission authorities, at the same time as those which were received by the final closing date. The Local Authority will use its discretion when considering the individual circumstances. For example where;

- There were exceptional reasons which prevented the parent/carer from applying by the closing date.
- A child and the person with parental responsibility have moved home.
- Where the local authority has contacted that parent/carer regarding the information contained within their application, for example, an incomplete application or potentially misleading information requiring further investigation.

All late applications received after the exchange of data with admission authorities, but before the offer of places, will only be considered after those applications which were received on time have been considered. Such applicants may therefore be less likely to be offered a place at one of their preferred schools.

All late applications received after the offer of places will be considered by Birmingham Local Authority.

In the event that a late application is made for a place at an undersubscribed school, a place will be offered.

Applications made on or after the start of the Autumn Term 2017 will need to be submitted to their preferred school on an 'Application for a Change of School' form and will be treated as an in-year application.

## **9. Foundation, trust and voluntary aided schools**

For each voluntary aided and foundation school (including Trust schools), the Governing Body is the admission authority and decides its own published oversubscription admission criteria.

## **10. Academies and Free Schools**

Admission arrangements for academies and free schools are approved by the Secretary of State for the Department for Education as part of an Academy's Funding Agreement, which requires compliance with admissions legislation and relevant Codes.



## **11. Selective schools**

The selection of children for admission to grammar schools in Birmingham is by reference to ability and for this purpose there are tests held in the Autumn Term of the 2016/15 academic year for admission to these selective secondary schools in September 2017.

Arrangements relating to selective testing for admission to Sutton Coldfield Grammar School for Girls, Bishop Vesey's Grammar School and Handsworth Grammar School are made jointly with The Schools of King Edward the Sixth in Birmingham. This will be known as "The Grammar Schools in Birmingham"

The Grammar Schools in Birmingham shall consist of the following schools:

Bishop Vesey's Grammar School  
Handsworth Grammar School  
King Edward VI Aston School  
King Edward VI Camp Hill School for Boys  
King Edward VI Camp Hill School for Girls  
King Edward VI Five Ways School  
King Edward VI Handsworth School  
Sutton Coldfield Grammar School for Girls

Parents will be required to complete a test registration form to sit the selective test for a school that forms part of The Grammar Schools in Birmingham.

Pupils will only be required to sit one test to be considered for a place at a school that forms part of The Grammar Schools in Birmingham. Parents must also name any school(s) in The Grammar Schools in Birmingham on their Local Authority Preference Form to be considered for a place there.

Details and application dates will usually be publicised widely within the City from March each year with a closing date for applications to sit the test in July. The test will be at the beginning of September.

Admission authorities for grammar schools must inform parents of the outcome of selection tests prior to the final closing date for applications each year, so that parents can make an informed decision as to whether they should name a selective school as one of their preferences.

## **12. Fair Access Protocol**

The operation of the Fair Access Protocol is outside the arrangements of co-ordination and is triggered when a parent of an eligible child has not secured a school place under the in-year admission arrangements.

Fair Access Protocols exist to ensure that unplaced children outside the normal admissions round, especially the most vulnerable, are offered a suitable school as quickly as possible and to ensure that all schools in an area admit their fair share of children with challenging behaviour.

In the event of a governing body refusing to admit a pupil with challenging behaviour outside the normal admissions round, even though places are available, a referral will be made to the Local Authority for action under the Fair Access Protocol.

This provision will not apply to a looked after child, a previously looked after child or a child with a statement of special educational needs/EHC plan naming the school in question, as these children must be admitted.

All admission authorities must participate in the Fair Access Protocol in order to ensure that unplaced children are allocated a school place quickly. There is no duty for local authorities or admission authorities to comply with parental preference when allocating places through the Fair Access Protocol.

## **13. Relevant area**

In accordance with The Education (Relevant Areas for Consultation on Admission Arrangements) Regulations 1999, Birmingham Local Authority has determined its relevant area as that contained within the administrative area of the City of Birmingham. It is proposed that this arrangement will continue for 2017/2018.



## **PROPOSED ADMISSION ARRANGEMENTS FOR COMMUNITY AND VOLUNTARY CONTROLLED SCHOOLS FOR SEPTEMBER 2017 / 2018**

### **1. Birmingham Local Authority (community and voluntary controlled schools) over-subscription criteria**

- 1.1. Any child with a Statement of Special Educational Needs or Education, Health and Care Plan is required to be admitted to the school that is named in the statement or plan. This gives such children overall priority for admission to the named school. This is not an oversubscription criterion.

The local authority is the admission authority for community and voluntary controlled schools. Children are admitted to schools in accordance with parental preference as far as possible. However, where there are more applications than there are places available, places at community and voluntary controlled schools will be offered based on the following order of priority:

- 1.2. Looked after children or children who were previously looked after children
- 1.3. Children (siblings) with a brother or sister already at the school who will still be in attendance at the time the child enters the school.
- 1.4. In the case of Voluntary Controlled Church of England primary schools: children whose parents have made applications on denominational grounds. This will be confirmed by a letter from the Vicar / Minister of the relevant Church. Details of schools that use denominational criteria can be viewed at section 6.
- 1.5. Children who live nearest the school.

Within each of the categories above, priority is given to those who live nearest to the school.

Admission to a nursery school or nursery class does not give the child priority or an extra right to transfer to the Reception year of the primary or infant school to which the nursery is linked or attached.

### **2. Chilcote Primary, Hall Green Infant and Hall Green Junior schools**

Chilcote Primary, Hall Green Infant and Hall Green Junior schools each have catchment areas. At these schools, the order of priority for admission is as follows:

- 2.1. Looked after or previously looked after children.
- 2.2. Children living within the catchment area of the school who will have a sibling in attendance at the school at the time of admission.
- 2.3. Children living within the catchment area of the school who live nearest the school.
- 2.4. Children living outside the catchment area of the school who will have a sibling in attendance at the school at the time of admission.
- 2.5. Children living outside the catchment area who live nearest the school.

Within each of the categories above, priority is given to those who live nearest to the school.

### **3. Over-subscription criteria for Year 2 to Year 3 Transfers**

- 3.1. Looked after or previously looked after children.
- 3.2. Linked Schools: Children who will be attending the linked Infant School at the time of application and will still be in attendance at the end of Year 2. (A list of linked infant and junior schools is available in the parents information booklet 'Primary Education – Opportunities for your child in Birmingham' and on the School Admissions website).
- 3.3. Children with a sibling already at the Infant / Junior School and who will still be in attendance at the time the sibling enters the school.
- 3.4. Children who live nearest the school.

Within each of the categories above, priority is given to those who live nearest to the school.

### **4. Over-subscription criteria for Year 2 to Year 3 Transfer - Hall Green Junior**

- 4.1. Looked after or previously looked after children.
- 4.2. Children attending Hall Green Infant School
- 4.3. Children who will be attending the School at the time of the application and will still be in attendance at the end of Year 2.
- 4.4. Children living within the catchment area of the school who will have a sibling in attendance at the school at the time of admission.

- 4.5. Children living within the catchment area of the school who live nearest the school.
- 4.6. Children living outside the catchment area of the school who will have a sibling in attendance at the school at the time of admission.
- 4.7. Children living outside the catchment area who live nearest the school.

Within each of the categories above, priority is given to those who live nearest to the school.

## **5. Year 12 entry requirements for Community Schools**

Each school which admits pupils into Year 12 is required to publish in the school prospectus the minimum academic entry criteria for entry in the sixth form. This is the same for both external and internal places. Details of the academic requirements for each course can be obtained by contacting the school.

Children and their parents applying for sixth form places may use the Local Authority Preference Form although if they are already on the roll they are not required to do so in order to transfer into year 12. Internal applicants who meet the minimum academic entrance requirements will be offered a place automatically.

The following oversubscription criteria will be used for external applicants who meet the minimum academic entry criteria when there are more applications than places available:

1. Looked after or previously looked after child (in public care).
2. Proximity of the child's home to school with those living nearer accorded the higher priority.

Applicants refused a place in Year 12 are entitled to appeal to an independent appeal panel.

Year 12 places are not coordinated by the Local Authority and applications should be made directly to the school(s) concerned.

The secondary community schools listed below will admit the following number of children externally into Year 12.

Bordesley Green Girls' School - 10  
Holte Visual and Performing Arts College - 20  
John Willmott School - 20  
Swanshurst School – 20

## **6. Voluntary controlled Church of England denominational criteria**

### **Christ Church CE Primary School**

Anybody whose parent/guardian regularly attends the local Church of England Parish Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.

No supplementary information form is used at Christ Church CE Primary School.

### **Quinton Church Primary School**

Children whose parents have made a claim on denominational grounds in that they desire a Church of England school education and for whom this is the nearest Church of England school from home.

Applicants are required to send a letter of support from their vicar/minister/elder/preacher as evidence of regularly attending worship at their church.

Applications under this heading will be placed in this order of priority:

- a) Children who worship regularly\* at Christ Church, The Quinton or whose parent or carer does.
- b) Children who worship regularly at another Church of England church, or whose parent or carer does.
- b) Children who worship regularly at another Christian church (that is, a church which is affiliated to either the Evangelical Alliance or Churches Together in Britain), or whose parent or carer does.

\* For the purposes of this application, 'regularly' is taken to be at least twice a month for a minimum of one year.

A supplementary Information Form is used at Quinton Church Primary School – please see below.

### **St James CE Primary School**

Anybody whose parent/guardian regularly attends St James Church, Handsworth. Regular is defined as meaning once a month for a twelve month period and this will be confirmed by Fr. David Isiorho, our parish priest.

A supplementary Information Form is used at St James CE Primary School – please see below.

### **St Mary CE Primary School (B29)**

Children who regularly worship at St Mary's Church, Selly Oak. We define regular as meaning at least twice a month for at least two consecutive years and this will be confirmed by a letter from the minister on headed note paper.

NB: Only 10% of places within each cohort are eligible for faith claims and these shall be ranked according to distance from the school.

A supplementary Information Form is used at St Mary's CE Primary School (B29) – please see below.

**St Matthew's CE Primary School**

- a) Anybody whose parent/guardian regularly attends the local Church of England Parish Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.
- b) Anybody whose parent/guardian regularly attends any other Church of England Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.
- c) Anybody whose parent/guardian regularly attends any other Christian denomination (defined as a Church who are members of Churches together in England or the Evangelical Alliance). We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.

No supplementary information form is used at St Matthew's CE Primary School.

**St Peter's CE Primary School (B17)**

- a) Anybody whose parent/guardian regularly attends the local Church of England Parish Church which is St. Peters C of E Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.
- b) Anybody whose parent/guardian regularly attends any other Church of England Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister. Also the child of anyone who studies at Queens Theological College.
- c) Anybody whose parent/guardian regularly attends any other Christian denomination (defined as a Church who are members of Churches together in England or the Evangelical Alliance). We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.

A faith claim for this school will not be accepted for this school if another Church of England school is closer to the applicants address or they do not have a Birmingham postal code.

A supplementary Information Form is used at St Peter's CE Primary – please see below, this should only be completed if applying on denominational/ faith criterion.

**St Saviour's CE Primary School**

- a) Anybody whose parent/guardian regularly attends the local Church of England Parish Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.

- b) Anybody whose parent/guardian regularly attends any other Church of England Church. We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.
- c) Anybody whose parent/guardian regularly attends any other Christian denomination (defined as a Church who are members of Churches together in England or the Evangelical Alliance). We define regular as meaning once a month for a twelve month period and this will be confirmed by a letter from the local minister.

No supplementary information form is used at St Saviour's CE Primary School.

## **7. Waiting lists**

Parents whose children have not been offered a place at one or more of their preferred schools will be informed of their right of appeal and will be added to their preferred schools' waiting lists. Parents will be advised that inclusion on a school's waiting list does not mean a place will eventually become available there.

Waiting lists will not be fixed following the offer of places; they are subject to change. Any new applicants to whom it is not possible to offer a place will be added to each school's waiting list in accordance with the relevant oversubscription criteria. This means that a child's waiting list position during the year could go up or down.

There will be a period of two weeks after the published offer date whereby any available places will not be reallocated. If places become available after this date they will be offered according to the schools oversubscription criteria.

School Admissions and Pupil Placements Service, on behalf of the Local Authority, will maintain waiting lists for community and voluntary controlled schools for the first term of the academic year.

At the start of the Spring Term each year, School Admissions and Pupil Placements will pass community and voluntary controlled school waiting lists to the schools themselves. Schools may wish to write to parents/carers to establish if they wish for their child to remain on a waiting list. Waiting lists do not close.

Waiting lists for voluntary aided and foundation schools, Academies and free schools in Birmingham will be maintained by the schools and Academies on behalf of their Governing Bodies. The Local Authority may require sight of the waiting lists at these schools, in order to determine that the co-ordinated scheme is operating effectively.



## **8. Appeals**

Where parents are not satisfied with the school offered, arrangements exist for appeals to be heard by an Appeals Panel, which is independent of the admission authority for the school.

Parents can only appeal for schools for which they have expressed a preference.

In the case of infant class size appeals, because infant classes have a legal limit of 30, Appeals Panels are limited in the matters they can take into account when considering Reception, Year 1 and Year 2 appeals in which the admission of more pupils would cause this limit to be exceeded. In this type of appeal, an Appeal Panel can only uphold an appeal if it is satisfied that:

- the admission of additional children would not breach the infant class size limit; or
- the child would have been offered a place if the arrangements had been correctly and impartially applied; or
- the child would have been offered a place if the arrangements had not been contrary to the School Admissions Code and legislation; or
- the decision to refuse admission was not one which a reasonable admission authority would have made in the circumstances of the case.

Appeals in respect of community, voluntary controlled schools and those academies who have delegated responsibility for the administration of appeals to Birmingham Local Authority, should be sent to Birmingham's School Admissions and Pupil Placements Service. Appeals in respect of voluntary aided and foundation schools, the King Edward VI schools, Ninestiles, Holyhead School should be sent to the Governing Body of the school(s) concerned. A comprehensive list of which schools administer their own appeals is available in the parents' information booklet and the School Admissions website.

## **9. Definitions**

### Looked After and previously looked after children

Children who are looked after or immediately after being looked after became subject to an adoption, residence or special guardianship order. This includes any child / young person who is subject to a Full Care Order, an interim Care Order, accommodated under Section 22(1) of the Children Act 1989, is remanded or detained into Local Authority accommodation under Criminal Law or who has been placed for adoption. Birmingham Local Authority's School Admissions and Pupil Placements Service will obtain names of all children who are looked after or will verify details for those applicants who indicate that their child was previously looked after, within the appropriate age range, from the Looked After Children Education Service (LACES). Places for

these children will be considered in accordance with each school's admission criteria.

### Siblings

Siblings (brothers or sisters) are considered to be those children who live at the same address and either:

- i. have one or both natural parents in common;
- or ii. are related by a parent's marriage;
- or iii. are adopted or fostered by a common parent.

Unrelated children living at the same address, whose parents are living as partners, are also considered to be siblings.

Children not adopted or fostered or related by a parents' marriage or with one natural parent in common, who are brought together as a family by a same sex civil partnership and who are living at the same address, are also considered to be siblings.

Children who attend either a linked infant or junior school and will still be in attendance at the time of admission are considered as sibling claims.

Separate boys' and girls' schools are not considered to be linked for the purposes of sibling claims.

### Distance measurements to schools

Distances are calculated on the basis of a straight-line measurement between the applicant's home address and a point decided by the school (usually the front gates). The Local Authority uses a computerised system, which measures all distances in metres. Ordnance Survey supplies the co-ordinates that are used to plot an applicant's home address and the address of the school.

### Tie-Breaker

In a very small number of cases where a school is oversubscribed, it may not be possible to decide between the applications of those pupils who are the final qualifiers for a place, when applying the published admission criteria.

For example, this may occur when children in the same year group live at the same address, or if the distance between the home and school is exactly the same, for example, blocks of flats. If there is no other way of separating the application according to the admissions criteria and to admit both or all of the children would cause the Published Admission Number for the child's year group to be exceeded, the Local Authority will use a computerised system to randomly select the child to be offered the final place.

### Home Address

A pupil's home address is considered to be a residential property that is the child's only or main residence and is either;

- Owned by the child's parent(s), or the person with parental responsibility for the child;
- Leased to or rented by the child's parent(s), or the person with parental responsibility under lease or written rental agreement of not less than twelve months duration.

Evidence of ownership or rental agreement may be required, plus proof of permanent residence at the property concerned.

Parents who are unable to provide proof of permanent residence should contact a member of School Admissions and Pupil Placements Service to discuss providing other acceptable proof of address.

Where parents have shared responsibility for a child, and the child lives with both parents for part of the week then the main residence will be determined as the address where the child lives the majority of the week. Parents may be requested to supply documentary evidence to satisfy the authority that the child lives at the address put forward by the parents.

If a school is offered on the basis of an address that is subsequently found to be different from a child's normal and permanent home address, then that place is liable to be withdrawn.



## Comments received on consultation and responses for school admissions in 2017/18

The consultation received seven responses from the following wards:

**Sutton Trinity** – 1 respondent (two comments)

**Sutton Vesey** – 5 respondents

The comments received are detailed below with Birmingham City Council's response to each.

<p><b>Comment 1 – Sutton Trinity Ward</b></p> <p>Applying for a reception place in Sutton Coldfield has become a terrifying lottery with few people knowing what school they will get into, if any locally, due to a lack of required places. This is due mostly to 'school tourism'.... it is obvious that large numbers of people continue to move in to Sutton Coldfield from outside of the area based on its reputation for "good schools", making any number of places unsustainable for the population on going. Young families disproportionately reside in highly concentrated numbers around the schools. I would ask that it is considered that all Admissions authorities would have "time living in area " as one of their priority criteria to support genuine locals and more importantly to serve as a deterrent to this increasing &amp; unsustainable practice, which pushes long-term local residents out of local schools all together.</p> <p>There are also a few local schools still with only a single form entry that must be able to be required to expand due to the overwhelming demand.</p> <p>We failed to get any of our preferences and of the 5 schools acceptable to us and suitable for us, within around 1.5 miles of our home it is hit and miss if we would get a place at any of them at all, so the preference system of 3 is totally pointless. If it's fair for long term locals to end up having to travel further a field and have no preference over their children's schooling at all then it is fairer that those who move in, only for school places, know that they will not get the same level of priority in their preferences as those children already in the area planning to attend local schools from birth. It</p>	<p><b>Birmingham City Council Response 1</b></p> <p>There is a recognition that demand for places is increasing as a result of birth rate increase and cohort growth. The Local Authority's position is that schools will only be expanded if there is a need for additional places; we do not expand schools purely to meet parental preference but when we do expand schools, parental preference is a key consideration. There is an annual cycle of activity which sets out what places we expect to need on a 3-year planning horizon.</p> <p>A report was presented by the Education Link Officer to the Education &amp; Vulnerable Children Overview and Scrutiny Committee in September 2015 detailing an update regarding the sufficiency of places in Birmingham, plans to meet growth in demand and parental preference, and known areas of pressure. The report can be found at the following link:  <a href="https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/90/Committee/11/SelectedTab/Documents/Default.aspx">https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/90/Committee/11/SelectedTab/Documents/Default.aspx</a> <i>(see pages 14 -15 of this report for document)</i></p> <p>All schools across the City are invited to express interest in expanding and there are clear criteria for identifying preferred options for expansion through our approved Basic Need process (location in relation to Basic Need, standards in the school, capacity and feasibility of the school to provide suitable accommodation on site, popularity of the school and potential to create overprovision in the area). The Local Authority's overarching priority is to support every school on its journey to good or</p>
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has become a competition of who can buy the closest house to the school of choice and a sick lottery as to where there will be any places for us at all, this hits hard for those of us who have lived here all of our lives & would, if not for retaining our jobs and familial support network, be considering moving out of the town to find available school places elsewhere.

I also believe parents are not given enough information upon which to make their preferences. With such limited choices it is important to know where one stands a chance of getting a place, so as not to waste a vote on a school where you don't stand a chance. This could be helped by schools being required to make enquiries and then a best estimate of what siblings they will be likely to be getting in the next round.

A greater number of preferences per application are also required, at least then if you don't get any of your top 3 you stand some chance of getting a school you find acceptable and suitable for your child and your family. I would suggest 6 preferences would be more realistic. I would also find it useful if you could state 1 school which you would not accept, so if you know a particular schools environment or ethos doesn't fit with your values you can save wasted time of being offered a place somewhere where you would not wish to accept a place. When you don't get any of your preferences.

Regarding summer born admissions I would hope that Birmingham will be making positive changes to their previous prohibitive policies, to realign them

With Nick Gibb Schools Ministers proposed Admissions Code changes and open letter to LEAs, which encourages Admission Authorities and schools to make immediate proper use of the available flexibility for summer born for the protection of the children under their care.

outstanding provision. When places are provided to meet growth in pupil numbers, the first priority is to ensure those places will be close to the increased demand.

Sutton Coldfield continues to be a popular area for families and demand on school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served. The following primary schools in Sutton Coldfield have been expanded to date.

School Name	Ward	First Year of Expansion	Type of Expansion, (if bulge in what year group)	Total places created / to be created
Maney Hill Primary School	Sutton Trinity	2015	Permanent	210 (1FE)
Mere Green Primary School	Sutton Four Oaks	2015	Permanent	210 (1FE)
New Hall Primary and Children's Centre	Sutton Trinity	2015	Bulge Y1-5	75
St Joseph's RC Primary School	Sutton Trinity	2014	Permanent	210 (1FE)
Whitehouse Common Primary School	Sutton Trinity	2012	Bulge R	30

The Local Authority feels it would be unfair to introduce a 'time living in area' priority as this would be unfair on families, who through no fault of their own, may have to move in or out of an area within Birmingham. Therefore in the event of a school receiving more applications than places available, Birmingham Local Authority remains committed to giving priority to looked after children, followed by siblings, then to those children who live closest to that school.

The Local Authority produces a composite prospectus each year detailing information on the final child admitted to a school in the previous three years. Following your suggestion, we will be asking all schools to write to parents/carers each summer term to establish how many siblings will be joining the school in the following September. This information will then be

	<p>available to parent/carers during open sessions in the autumn term prior to submitting preferences by 15 January in the offer year.</p> <p>Parents/carers are advised in the guidance to submit at least one preference where they would have met the admission criteria in previous years. However, parents are also advised that this is merely a guide and there is no guarantee that the same admission pattern will apply in future years.</p> <p>All local authorities must allow parent/carers to submit a minimum of three preferences in rank order. In Birmingham, parents are permitted to submit three preferences and the data for entry to Reception Class shows that almost 95% of parent/carers who applied by the final closing date were offered one of their three preferred schools.</p> <p>In addition, of those who were not offered one of their three preferred schools, there were a number of parent/carers who did not name a school where they would have been offered a place if they had included it as a preference.</p> <p>Birmingham City Council does not believe that increasing the number of preferences parent/carers can submit will have any benefit over the current three preference system.</p> <p>In accordance with the current School Admissions Code and DfE guidance 'advice on the admission of summer born children', all requests for children to be admitted outside of their normal age group must be considered by the admission authority concerned on a case by case basis and a decision made in the best interest of the child concerned. Following legal advice, Birmingham Local Authority cannot change the current system until such a time that there is a change to the School Admissions Code. However, to date, following consideration by admission authorities in Birmingham, all requests from parents of summer born children for deferred entry have been accepted.</p>
<p><b>Comment 2 - Sutton Vesey Ward</b></p> <p>There continue to be catchment hotspots that don't seem to be being</p>	<p><b>Birmingham City Council Response 2</b></p> <p>Sutton Coldfield continues to be a popular area for families and demand on</p>

<p>tackled properly. Sutton Vesey is a particularly problematic ward with nowhere near enough school places. A much higher percentage of parents don't get one of their preferred choices in Sutton Vesey compared with the rest of the city. There are now a couple of schools that are being considered for expansion but this is too little and plans are not forward looking enough. It feels as if decisions are being made in response to crisis rather than looking ahead and planning in order to avoid crisis. Families in these areas have no real options or choices and their preferences are almost irrelevant meaning they are offered whatever is left when all the places are offered.</p> <p>Parents who are not given one of their preferences are not given priority on waiting lists. This seems grossly unfair and mean that these families are given no choices and end up being given school places outside their communities a long way from their homes. Surely some kind of tiered system would be fairer where parents who are offered none of their preferences are kept at the top of the waiting lists for their chosen schools.</p> <p>The appeals process seems to be very stressful, difficult and unlikely to end in favour of the parents.</p> <p>We have been given conflicting and unhelpful advice from the LEA when asking for information about admissions "Just apply for your nearest 3 schools and we'll find you a place somewhere within Birmingham..." Not very reassuring as we know we're in a hotspot and are unlikely to be given a place at any of our closest schools.</p>	<p>school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served.</p> <p>Our school place forecast represents the best estimate of the number and location of places that will be needed if most recent patterns of parental preference, cohort growth, housing proposals and supply of places were to remain constant. However, any of these variables can change considerably from one year to the next, sometimes with limited predictability. There is therefore always a level of expected variance between our forecasts and the actual demand.</p> <p>Appendix 3 of the Educational Development Plan (view at link below) provides information on how well parental preference is met in the 40 Birmingham wards. It shows that for 2015 entry, Sutton Trinity ward falls into the top 10 most served to meet first preference for Year 7 but in the least well served wards for Reception. The other 3 Sutton wards fall in the middle for both Reception and Year 7.  <a href="https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/90/Committee/11/SelectedTab/Documents/Default.aspx">https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/90/Committee/11/SelectedTab/Documents/Default.aspx</a> (see pages 14 -15 of this report for document)</p> <p>In accordance with the School Admissions Code, waiting lists must be managed in line with a school's published oversubscription criteria. If a system was introduced to give priority to children who had not been offered any of their preferred schools, it may encourage more parent/carers to submit unrealistic preferences knowing that their child would remain at the top of the waiting list(s) ahead of another child who was offered a lower preferred school but meets the admission criteria better.</p> <p>All appeals must to be considered in accordance with the School Admission Appeals Code. The Code sets out minimum requirements which ensure fairness and transparency. For infant class appeals, regulations made under Section 1 of the School Standards and Framework Act 1998 limit the size of an infant class to 30 pupils per school teacher. This means that only in very limited circumstances can admission over the limit be permitted.</p>
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	<p>The Local Authority produces a composite prospectus each year detailing information on the final child admitted to a school in the previous three years. Following a suggestion from another responder, we will be asking all schools to write to parents/carers each summer term to establish how many siblings will be joining the school in the following September. This information should then be available to parent/carers during open sessions in the autumn term prior to submitting preferences by 15 January in the offer year.</p>																				
<p><b>Comment 3 - Sutton Vesey Ward</b></p> <p>Not enough school places</p> <p>No realistic preferences for parents in B73</p> <p>No policy around bulge year places and their allocation</p> <p>No school places available at nearest 6 schools for the past four years</p> <p>No decent advice for parents with no realistic preference, despite following guidelines</p> <p>No waiting list tier for parents who do not receive any preference</p> <p>No mention in admissions procedures that school waiting lists will be amended to day one on discovery of fraudulent applications.</p>	<p><b>Birmingham City Council Response 3</b></p> <p>Sutton Coldfield continues to be a popular area for families and demand on school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served.</p> <p>Reception Numbers:</p> <table><tr><th>Ward</th><th>Number of Available Places Sept 2016</th><th>Resident Numbers May 2015</th><th>Variance</th></tr><tr><td>Sutton Four Oaks</td><td>300</td><td>251</td><td>+49</td></tr><tr><td>Sutton New Hall</td><td>300</td><td>215</td><td>+85</td></tr><tr><td>Sutton Trinity</td><td>375</td><td>286</td><td>+89</td></tr><tr><td>Sutton Vesey</td><td>270</td><td>235</td><td>+35</td></tr></table> <p>Both Sutton Four Oaks and Sutton Trinity wards have benefitted from investment into a school expansion commencing in 2015 by 1FE each at Mere Green Primary and Maney Hill Primary respectively. There is recognition that a majority of secondary schools in Sutton Coldfield are selective or denominational however the majority of these secondary schools have been through or are about to embark on expansion to</p>	Ward	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance	Sutton Four Oaks	300	251	+49	Sutton New Hall	300	215	+85	Sutton Trinity	375	286	+89	Sutton Vesey	270	235	+35
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Year 7 Numbers:

District	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance
Sutton Coldfield	1385	889	+496

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<https://birmingham.cmis.uk.com/birmingham/Meetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/90/Committee/11/SelectedTab/Documents/Default.aspx> (see pages 14 -15 of this report for document)

A strategy explored over the last 18 months to create additional places where needed has been to open some “bulge” classes during the year and not at the start of a term. When a school opens a new class, all places have to be offered in strict waiting list order in accordance with School Admissions legislation. At times this has meant that children have moved from a neighbouring school based on parental preference particularly if places are offered before summer holidays.

The Local Authority produces a composite prospectus each year detailing information on the final child admitted to a school in the previous three years. Following a suggestion from another responder, we will be asking all schools to write to parents/carers each summer term to establish how many siblings will be joining the school in the following September. This information should then be available to parent/carers during open sessions in the autumn term prior to submitting preferences by 15 January in the offer year.

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<p><b>Comment 4 - Sutton Vesey Ward</b></p> <p>Not enough school places</p> <p>No realistic preferences for parents in B73</p> <p>No policy around bulge year places and their allocation</p> <p>No school places available at nearest 6 schools for the past four years</p> <p>No decent advice for parents with no realistic preference, despite following guidelines</p> <p>No waiting list tier for parents who do not receive any preference</p> <p>No mention in admissions procedures that school waiting lists will be amended to day one on discovery of fraudulent applications.</p> <p>No thorough checks for fraudulent Address claims unless someone whistle blows</p>	<p><b>Birmingham City Council Response 4</b></p> <p>Sutton Coldfield continues to be a popular area for families and demand on school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served.</p> <p>Reception Numbers:</p> <table><tr><th>Ward</th><th>Number of Available Places Sept 2016</th><th>Resident Numbers May 2015</th><th>Variance</th></tr><tr><td>Sutton Four Oaks</td><td>300</td><td>251</td><td>+49</td></tr><tr><td>Sutton New Hall</td><td>300</td><td>215</td><td>+85</td></tr><tr><td>Sutton Trinity</td><td>375</td><td>286</td><td>+89</td></tr><tr><td>Sutton Vesey</td><td>270</td><td>235</td><td>+35</td></tr></table>	Ward	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance	Sutton Four Oaks	300	251	+49	Sutton New Hall	300	215	+85	Sutton Trinity	375	286	+89	Sutton Vesey	270	235	+35
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Year 7 Numbers:

District	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance
Sutton Coldfield	1385	889	+496

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<p><b>Comment 5 - Sutton Vesey Ward</b></p> <p>For children who live in the Boldmere area, there are no realistic choices for parents to make for primary school place, particularly in the B73 5 area. I live in Sunnybank Road and this puts my son out of the catchment area for Boldmere School one year and in it another year - this has been the case for the past 5 years. I should be able to choose a school that my son and I can walk to. However, if we have to go to Yenton School, this will be impossible</p>	<p><b>Birmingham City Council Response 5</b></p> <p>In terms of B73 postcode area specifically:</p> <table><tr><th>Postcode</th><th>Number of Available Reception Places Sept 2016</th><th>Births 11-12 to commence school 2016-17</th><th>Variance</th></tr><tr><td></td><td></td><td></td><td></td></tr></table>	Postcode	Number of Available Reception Places Sept 2016	Births 11-12 to commence school 2016-17	Variance				
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and he will be with children from another area. We are aware that Maney School and St Nicholas RC School will be providing additional places, but these are the wrong schools to do this for. Maney School is too far to walk and will increase vehicular traffic. St Nicholas is a Catholic school and so will give priority to Catholic pupils and I would not be happy with my son going to a Catholic School, although I would be happy with a Church of England or other church free school.

The arrangements do not account for issues where there may be a one-off increase in population and how places will be allocated.

There is a severe shortage of school places in Boldmere where the family population has increased and yet there is no real consideration being given to this and no sensible advice is being given to parents who live in the 'pockets' without school places.

Parents who do not receive any preference should be put to the top of the waiting list for schools rather than being a general part of that waiting list.

The system of catchment areas based on the closest addresses to schools works to a certain extent, but a percentage of places at schools should be available for those parents who have not been able to get into any local schools because they are in a 'pocket' that is not covered by the catchment areas. These places should be available to ensure that children can at least go to one of their 3 closest schools rather than having to travel several miles to an under-performing school that is under-subscribed.

Secondary school places are also a problem in Boldmere with the closest non-selective and non-VC school being Plantsbrook which is over-subscribed every year. There need to be more secondary school places available in the north of Sutton Coldfield for children to access.

I would urge those making decisions to look closely at the catchment circles (prior to appeals) and consider what should be done for those parents who are in 'pockets' that are not covered by their 3 closest schools and even more so for those who are in 'pockets' that are not covered by even more

B73

330

195

+135

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Sutton Coldfield continues to be a popular area for families and demand on school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served.

Reception Numbers:

Ward	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance
Sutton Four Oaks	300	251	+49
Sutton New Hall	300	215	+85
Sutton Trinity	375	286	+89

of their closest schools. It is no good shipping them out to a school 2 or 3 miles away. Something should be done to ensure that children can be admitted to a nearby school and not be let down by a failing 'circles' system.

The admissions system must address children who are unable to get into their 3 closest schools and include a mechanism for enabling them to get into one of those schools.

Sutton Vesey	270	235	+35
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Year 7 Numbers:

District	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance
Sutton Coldfield	1385	889	+496

There is recognition that a majority of secondary schools in Sutton Coldfield are selective or denominational however the majority of these secondary schools have been through or are about to embark on expansion to increase numbers.

In accordance with the School Admissions Code, waiting lists must be managed in line with a school's published oversubscription criteria. If a system was introduced to give priority to children who had not been offered any of their preferred schools, it may encourage more parent/carers to submit unrealistic preferences knowing that their child would remain at the top of the waiting list(s) ahead of another child who was offered a lower preferred school but meets the admission criteria better.

In previous years, all children in the Sutton Vesey ward who were not offered one of their preferred schools were offered a school within 1.5 miles of their home address.

**Comment 6 – Sutton Trinity Ward**

Summer born children arrangements need to be brought into line with Nick Gibbs open letter to admissions authorities. Parents who need / choose to send their children to start school at the legal starting age of 5 should not

**Birmingham City Council Response 6**

In accordance with the current School Admissions Code and DfE guidance 'advice on the admission of summer born children', all requests for children to be admitted outside of their normal age group must be considered by

have their children's education shortened or be penalised with loss of the child's important reception year of education. All children should receive the full course of education available, as per the flexibility already prescribed for summer borns and in line with Nick Gibbs advice.	the admission authority concerned on a case by case basis and a decision made in the best interest of the child concerned. Following legal advice, Birmingham Local Authority cannot change the current system until such a time that there is a change to the School Admissions Code. However, to date, following consideration by admission authorities in Birmingham, all requests from parents of summer born children for deferred entry have been accepted.																												
<p><b>Comment 7 – Sutton Vesey Ward</b></p> <p>Not enough places available for the amount of children in our area.</p> <p>No realistic preference for B73 - a pointless exercise, our house is outside the catchment of any school.</p> <p>No priority on the waiting list for parents that don't get any of their preferences.</p> <p>Over the last three years, we would have had to go to our seventh nearest school to have a realistic chance of getting a place.</p> <p>No realistic advice available for anyone in our position.</p>	<p><b>Birmingham City Council Response 7</b></p> <p>Sutton Coldfield continues to be a popular area for families and demand on school places reflect this. However, in terms of sufficiency of places to meet resident population, Sutton Coldfield is well served.</p> <table><tr><th>Ward</th><th>Number of Available Places Sept 2016</th><th>Resident Numbers May 2015</th><th>Variance</th></tr><tr><td>Sutton Four Oaks</td><td>300</td><td>251</td><td>+49</td></tr><tr><td>Sutton New Hall</td><td>300</td><td>215</td><td>+85</td></tr><tr><td>Sutton Trinity</td><td>375</td><td>286</td><td>+89</td></tr><tr><td>Sutton Vesey</td><td>270</td><td>235</td><td>+35</td></tr></table> <table><tr><th>District</th><th>Number of Available Places Sept 2016</th><th>Resident Numbers May 2015</th><th>Variance</th></tr><tr><td>Sutton Coldfield</td><td>1385</td><td>889</td><td>+496</td></tr></table> <p>Both Sutton Four Oaks and Sutton Trinity wards have benefitted from investment into a school expansion commencing in 2015 by 1FE each at Mere Green Primary and Maney Hill Primary respectively.</p>	Ward	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance	Sutton Four Oaks	300	251	+49	Sutton New Hall	300	215	+85	Sutton Trinity	375	286	+89	Sutton Vesey	270	235	+35	District	Number of Available Places Sept 2016	Resident Numbers May 2015	Variance	Sutton Coldfield	1385	889	+496
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In terms of B73 postcode area specifically:

Postcode	Number of Available Reception Places Sept 2016	Births 11-12 to commence school 2016-17	Variance
B73	330	195	+135

In accordance with the School Admissions Code, waiting lists must be managed in line with a school's published oversubscription criteria. If a system was introduced to give priority to children who had not been offered any of their preferred schools, it may encourage more parent/carers to submit unrealistic preferences knowing that their child would remain at the top of the waiting list(s) ahead of another child who was offered a lower preferred school but meets the admission criteria better.

In previous years, all children in the Sutton Vesey ward who were not offered one of their preferred schools were offered a school within 1 mile of their home address.

**Table A: Reception Entry 2015 – Preference Information**

Green - 10 highest parental preference measures / Orange - 10 lowest parental preference measures

DISTRICT	WARD	FIRST PREF	%	SECOND PREF	%	THIRD PREF	%	LA PLACED	%	Total Apps	Appeals Received	% Appeals
Edgbaston	Bartley Green	301	82.02%	33	8.99%	13	3.54%	20	5.45%	367	10	2.72%
Edgbaston	Edgbaston	124	75.15%	12	7.27%	4	2.42%	25	15.15%	165	8	4.85%
Edgbaston	Harborne	205	85.06%	15	6.22%	6	2.49%	15	6.22%	241	17	7.05%
Edgbaston	Quinton	293	80.49%	21	5.77%	12	3.30%	38	10.44%	364	24	6.59%
Erdington	Erdington	263	75.57%	26	7.47%	22	6.32%	37	10.63%	348	37	10.63%
Erdington	Kingstanding	333	81.82%	35	8.60%	12	2.95%	27	6.63%	407	27	6.63%
Erdington	Stockland Green	261	76.32%	29	8.48%	16	4.68%	36	10.53%	342	24	7.02%
Erdington	Tyburn	303	85.11%	25	7.02%	9	2.53%	19	5.34%	356	16	4.49%
Hall Green	Hall Green	299	81.69%	37	10.11%	10	2.73%	20	5.46%	366	19	5.19%
Hall Green	Moseley And Kings Heath	241	87.00%	21	7.58%	5	1.81%	10	3.61%	277	6	2.17%
Hall Green	Sparkbrook	542	89.29%	41	6.75%	10	1.65%	14	2.31%	607	22	3.62%
Hall Green	Springfield	491	87.52%	39	6.95%	8	1.43%	23	4.10%	561	14	2.50%
Hodge Hill	Bordesley Green	696	93.80%	25	3.37%	4	0.54%	17	2.29%	742	20	2.70%
Hodge Hill	Hodge Hill	461	88.15%	21	4.02%	15	2.87%	26	4.97%	523	14	2.68%
Hodge Hill	Shard End	399	83.65%	32	6.71%	14	2.94%	32	6.71%	477	24	5.03%
Hodge Hill	Washwood Heath	594	90.83%	36	5.50%	18	2.75%	6	0.92%	654	22	3.36%
Ladywood	Aston	522	87.88%	47	7.91%	9	1.52%	16	2.69%	594	19	3.20%
Ladywood	Ladywood	185	70.08%	28	10.61%	19	7.20%	32	12.12%	264	6	2.27%
Ladywood	Nechells	474	85.10%	45	8.08%	11	1.97%	27	4.85%	557	8	1.44%
Ladywood	Soho	430	87.76%	26	5.31%	8	1.63%	26	5.31%	490	12	2.45%
Northfield	Kings Norton	287	78.63%	35	9.59%	19	5.21%	24	6.58%	365	22	6.03%
Northfield	Longbridge	295	77.84%	51	13.46%	11	2.90%	22	5.80%	379	6	1.58%
Northfield	Northfield	270	85.44%	31	9.81%	5	1.58%	10	3.16%	316	15	4.75%
Northfield	Weoley	318	85.25%	29	7.77%	9	2.41%	17	4.56%	373	14	3.75%
Perry Barr	Handsworth Wood	274	80.59%	27	7.94%	17	5.00%	22	6.47%	340	16	4.71%
Perry Barr	Lozells And East Handsworth	503	92.80%	27	4.98%	5	0.92%	7	1.29%	542	10	1.85%
Perry Barr	Oscott	297	88.39%	20	5.95%	8	2.38%	11	3.27%	336	19	5.65%
Perry Barr	Perry Barr	324	87.80%	23	6.23%	6	1.63%	16	4.34%	369	21	5.69%
Selly Oak	Billesley	294	86.22%	22	6.45%	13	3.81%	12	3.52%	341	8	2.35%
Selly Oak	Bournville	278	80.12%	26	7.49%	18	5.19%	25	7.20%	347	23	6.63%
Selly Oak	Brandwood	300	85.71%	21	6.00%	13	3.71%	16	4.57%	350	9	2.57%
Selly Oak	Selly Oak	161	84.74%	17	8.95%	3	1.58%	9	4.74%	190	15	7.89%
Sutton Coldfield	Sutton Four Oaks	247	80.98%	26	8.52%	11	3.61%	21	6.89%	305	15	4.92%
Sutton Coldfield	Sutton New Hall	194	81.86%	12	5.06%	10	4.22%	21	8.86%	237	9	3.80%
Sutton Coldfield	Sutton Trinity	219	77.94%	30	10.68%	14	4.98%	18	6.41%	281	19	6.76%
Sutton Coldfield	Sutton Vesey	211	82.42%	20	7.81%	8	3.13%	17	6.64%	256	36	14.06%
Yardley	Acocks Green	381	83.92%	33	7.27%	14	3.08%	26	5.73%	454	14	3.08%
Yardley	Sheldon	264	82.76%	29	9.09%	7	2.19%	19	5.96%	319	14	4.39%
Yardley	South Yardley	513	85.50%	39	6.50%	20	3.33%	28	4.67%	600	21	3.50%
Yardley	Stechford And Yardley North	328	85.64%	22	5.74%	14	3.66%	19	4.96%	383	23	6.01%
<b>Grand Total (ave %)</b>		<b>13375</b>	<b>83.72%</b>	<b>1134</b>	<b>7.45%</b>	<b>450</b>	<b>3.04%</b>	<b>826</b>	<b>5.78%</b>	<b>15785</b>	<b>678</b>	<b>4.66%</b>

**Table B: Year 7 Entry 2015 – Preference Information**

Green - 10 highest parental preference measures / Orange - 10 lowest parental preference measures

DISTRICT	WARD	FIRST PREF	%	SECOND PREF	%	THIRD PREF	%	FOURTH PREF	%	FIFTH PREF	%	SIXTH PREF	%	LA PLACED	%	Total Apps	Appeals Received	% Appeals
Edgbaston	Bartley Green	265	75.93%	47	13.47%	8	2.29%	14	4.01%	1	0.29%	0	0.00%	14	4.01%	349	17	4.87%
Edgbaston	Edgbaston	75	44.91%	32	19.16%	21	12.57%	4	2.40%	6	3.59%	3	1.80%	26	15.57%	167	23	13.77%
Edgbaston	Harborne	111	50.92%	32	14.68%	24	11.01%	13	5.96%	7	3.21%	8	3.67%	23	10.55%	218	27	12.39%
Edgbaston	Quinton	225	69.88%	40	12.42%	21	6.52%	7	2.17%	2	0.62%	5	1.55%	22	6.83%	322	15	4.66%
Erdington	Erdington	175	67.31%	27	10.38%	21	8.08%	15	5.77%	3	1.15%	8	3.08%	11	4.23%	260	13	5.00%
Erdington	Kingstanding	249	63.36%	35	8.91%	20	5.09%	11	2.80%	11	2.80%	10	2.54%	57	14.50%	393	54	13.74%
Erdington	Stockland Green	186	66.91%	33	11.87%	13	4.68%	14	5.04%	1	0.36%	3	1.08%	28	10.07%	278	27	9.71%
Erdington	Tyburn	235	68.51%	35	10.20%	23	6.71%	6	1.75%	10	2.92%	6	1.75%	28	8.16%	343	17	4.96%
Hall Green	Hall Green	250	64.27%	59	15.17%	26	6.68%	18	4.63%	13	3.34%	10	2.57%	13	3.34%	389	8	2.06%
Hall Green	Moseley And Kings Heath	167	67.89%	36	14.63%	21	8.54%	5	2.03%	4	1.63%	1	0.41%	12	4.88%	246	16	6.50%
Hall Green	Sparkbrook	393	67.64%	79	13.60%	36	6.20%	9	1.55%	14	2.41%	3	0.52%	47	8.09%	581	68	11.70%
Hall Green	Springfield	423	68.56%	71	11.51%	38	6.16%	29	4.70%	21	3.40%	6	0.97%	29	4.70%	617	69	11.18%
Hodge Hill	Bordesley Green	427	62.43%	87	12.72%	54	7.89%	34	4.97%	11	1.61%	8	1.17%	63	9.21%	684	112	16.37%
Hodge Hill	Hodge Hill	377	75.70%	49	9.84%	26	5.22%	6	1.20%	11	2.21%	6	1.20%	23	4.62%	498	27	5.42%
Hodge Hill	Shard End	252	68.11%	60	16.22%	19	5.14%	8	2.16%	3	0.81%	5	1.35%	23	6.22%	370	12	3.24%
Hodge Hill	Washwood Heath	451	62.64%	89	12.36%	51	7.08%	37	5.14%	23	3.19%	7	0.97%	62	8.61%	720	156	21.67%
Ladywood	Aston	426	73.45%	73	12.59%	20	3.45%	16	2.76%	16	2.76%	5	0.86%	24	4.14%	580	46	7.93%
Ladywood	Ladywood	118	65.56%	24	13.33%	11	6.11%	6	3.33%	4	2.22%	0	0.00%	17	9.44%	180	10	5.56%
Ladywood	Nechells	387	71.93%	40	7.43%	27	5.02%	23	4.28%	10	1.86%	7	1.30%	44	8.18%	538	101	18.77%
Ladywood	Soho	320	68.09%	61	12.98%	35	7.45%	10	2.13%	15	3.19%	2	0.43%	27	5.74%	470	40	8.51%
Northfield	Kings Norton	225	78.95%	30	10.53%	16	5.61%	2	0.70%	2	0.70%	1	0.35%	9	3.16%	285	12	4.21%
Northfield	Longbridge	271	85.49%	25	7.89%	11	3.47%	2	0.63%	2	0.63%	1	0.32%	5	1.58%	317	10	3.15%
Northfield	Northfield	211	74.30%	43	15.14%	6	2.11%	7	2.46%	2	0.70%	1	0.35%	14	4.93%	284	11	3.87%
Northfield	Weoley	223	62.99%	52	14.69%	27	7.63%	12	3.39%	1	0.28%	2	0.56%	37	10.45%	354	39	11.02%
Perry Barr	Handsworth Wood	227	64.67%	44	12.54%	31	8.83%	11	3.13%	11	3.13%	6	1.71%	21	5.98%	351	22	6.27%
Perry Barr	Lozells And East Handsworth	349	65.97%	75	14.18%	33	6.24%	17	3.21%	10	1.89%	8	1.51%	37	6.99%	529	36	6.81%
Perry Barr	Oscott	218	73.65%	35	11.82%	14	4.73%	4	1.35%	3	1.01%	3	1.01%	19	6.42%	296	20	6.76%
Perry Barr	Perry Barr	203	65.06%	44	14.10%	21	6.73%	8	2.56%	6	1.92%	3	0.96%	27	8.65%	312	47	15.06%
Selly Oak	Billesley	218	68.13%	55	17.19%	19	5.94%	7	2.19%	1	0.31%	3	0.94%	17	5.31%	320	8	2.50%
Selly Oak	Bournville	214	74.31%	52	18.06%	10	3.47%	5	1.74%	5	1.74%	0	0.00%	2	0.69%	288	7	2.43%
Selly Oak	Brandwood	212	66.25%	47	14.69%	18	5.63%	20	6.25%	4	1.25%	4	1.25%	15	4.69%	320	7	2.19%
Selly Oak	Selly Oak	96	67.13%	24	16.78%	9	6.29%	6	4.20%	1	0.70%	1	0.70%	6	4.20%	143	13	9.09%
Sutton Coldfield	Sutton Four Oaks	242	71.39%	38	11.21%	18	5.31%	14	4.13%	5	1.47%	4	1.18%	18	5.31%	339	25	7.37%
Sutton Coldfield	Sutton New Hall	172	69.64%	32	12.96%	14	5.67%	10	4.05%	4	1.62%	3	1.21%	12	4.86%	247	19	7.69%
Sutton Coldfield	Sutton Trinity	240	81.36%	36	12.20%	7	2.37%	7	2.37%	3	1.02%	0	0.00%	2	0.68%	295	8	2.71%
Sutton Coldfield	Sutton Vesey	168	72.73%	23	9.96%	16	6.93%	4	1.73%	3	1.30%	2	0.87%	15	6.49%	231	12	5.19%
Yardley	Acocks Green	261	68.68%	58	15.26%	18	4.74%	10	2.63%	9	2.37%	6	1.58%	18	4.74%	380	7	1.84%
Yardley	Sheldon	229	84.81%	15	5.56%	6	2.22%	3	1.11%	3	1.11%	4	1.48%	10	3.70%	270	1	0.37%
Yardley	South Yardley	290	57.54%	75	14.88%	33	6.55%	23	4.56%	10	1.98%	15	2.98%	58	11.51%	504	58	11.51%
Yardley	Stechford And Yardley North	235	65.83%	51	14.29%	22	6.16%	16	4.48%	4	1.12%	0	0.00%	29	8.12%	357	13	3.64%
<b>Grand Total (ave %)</b>		<b>10016</b>	<b>68.57%</b>	<b>1863</b>	<b>12.93%</b>	<b>864</b>	<b>5.96%</b>	<b>473</b>	<b>3.14%</b>	<b>275</b>	<b>1.75%</b>	<b>170</b>	<b>1.15%</b>	<b>964</b>	<b>6.49%</b>	<b>14625</b>	<b>1233</b>	<b>7.54%</b>



## Appendix 1b

### Proposed Published Admission Numbers September 2017

**DfE = Department for Education Number**

**PAN = Published Admission Number**

#### Reception Intake - Foundation and Voluntary Aided Schools

#### Infant, Primary & All-through Schools

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
3318	Abbey RC Primary School (The)	60	60	
5949	Al-Furqan Primary School	90	90	
4334	Al-Hijrah School	60	60	
3354	Bournville Infant School	90	90	
3319	Christ the King Catholic Primary School	45	45	
2289	Cofton Primary School	60	60	School undergoing expansion under LA Basic Need programme to become 2FE throughout.
2464	Coppice Primary School	60	60	
3320	Corpus Christi Catholic Primary School	60	60	
3321	English Martyrs' Catholic Primary School	60	60	
3435	Four Oaks Primary School	60	60	
3316	Guardian Angels Catholic Primary School	30	30	School took a bulge class in 2015 to accommodate 60 Reception pupils
3436	Harper Bell Seventh-Day Adventist School	30	30	
3411	Holly Hill Methodist CofE Infant School	60	60	
2474	Hollyfield Primary School	60	60	
3317	Holy Family Catholic Primary School	30	30	
3327	Holy Souls Catholic Primary School	60	60	
3352	King David Junior & Infant School	30	30	
2462	Little Sutton Primary School	60	60	
5204	Manor Park Primary School	60	60	
3322	Maryvale Catholic Primary School	30	30	
2416	Moor Hall Primary School	30	30	
3003	Moseley Church of England Primary School	30	30	
3323	Oratory Roman Catholic Primary (The)	30	30	
3351	Our Lady and St Rose of Lima	30	30	

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
	Catholic Primary School			
3328	Our Lady of Lourdes Catholic Primary School	30	30	
3357	Our Lady's Catholic Primary School	30	30	
3325	Rosary Catholic Primary School (The)	60	60	
3409	Sacred Heart Catholic Primary	30	30	
3381	St Alban's Catholic Primary School	30	30	
3380	St Ambrose Barlow Catholic Primary School	30	30	
3335	St Anne's Catholic Primary School	30	30	
3329	St Augustine's Catholic Primary School	30	30	
3302	Saint Barnabas CE Primary School	60	60	
3372	St Bernadette's Catholic Primary School	90	90	
3375	St Bernard's Catholic Primary School	60	60	
3331	St Catherine of Siena Catholic Primary School	30	30	
3337	St Chad's Catholic Primary School	30	30	
3406	St Clare's Catholic Primary School	60	60	
3386	St Cuthbert's RC Junior & Infant (NC) School	30	30	
3363	St Dunstan's Catholic Primary School	60	60	
3347	St Edmund's Catholic Primary School	30	30	
3355	St Edward's Catholic Primary School	60	60	
3342	St Francis Catholic Primary School	60	60	
5205	St Francis Church of England Aided Primary School	30	30	
3367	St Gerard's RC Junior & Infant School	30	30	
3410	St John and St Monica Catholic Primary School	30	30	
3360	St John Fisher Catholic Primary	30	30	
3339	St Joseph's Catholic Primary School (B7)	30	30	
3377	St Jude's Catholic Primary School	30	30	
3371	St Laurence Church Infant School	90	90	
3361	St Margaret Mary Catholic Primary School	30	30	School took a bulge expansion in 2015. Discussions underway with LA on the potential for any further expansion from Sept 2016 in light of latest sufficiency data

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
				and pending any further approvals.
3383	St Mark's Catholic Primary School	30	30	
3382	St Martin de Porres Catholic Primary School	30	30	
3350	St Mary and St John Junior & Infant School	60	60	
3344	St Mary's Catholic Primary School	60	60	
3346	St Patrick's Catholic Primary School	30	30	
3362	St Peter and St Paul RC Junior & Infant School	30	30	
3385	St Peter's Catholic Primary School	30	30	
3365	St Teresa's Catholic Primary School	30	30	
3349	St Thomas More Catholic Primary	45	45	School took a bulge expansion in 2015. Plans underway with LA on an expansion from Sept 2016 which will increase PAN to 60. This expansion is pending school organisation approval.
3310	St Vincent's Catholic Primary School	30	30	
3359	St Wilfrid's Catholic Junior & Infant School	60	60	
5203	Walmley Infant School	90	90	
2478	Whitehouse Common Primary School	60	60	
-	<b>Total</b>	<b>2955</b>	<b>2955</b>	

**Reception Intake - Academies & Free Schools**  
**Infant, Primary & All-through Schools**

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2020	Acocks Green Primary School	60	60	
3433	Albert Bradbeer Academy	60	60	
2144	Alston Primary School	90	90	
2041	ARK Rose Primary Academy	30	30	
2056	ARK Tindal Primary Academy	60	60	
2072	Billesley Primary School	90	90	
4017	Bournville School and Sixth Form Centre	*60	60	School conducting a consultation to become an all-through school taking primary provision from 2016, pending consultation outcomes and Secretary of State approval



DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2295	Brookvale Primary School	30	30	
2152	Brownmead Junior & Infant School	30	30	
2047	Chilwell Croft Academy	60	60	
2140	Chivenor Primary School	60	60	
2134	City Road Primary School	60	60	
2299	Cottesbrooke Infant School	90	90	
5201	Deanery Church of England Primary School (The)	60	60	
2065	Dorrington Academy	90	90	
2036	Erdington Hall Primary	60	60	
2310	Fairway Primary School	30	30	
2109	Four Dwellings Primary Academy	60	60	
2450	Great Barr Primary	60	60	
2451	Green Meadow Primary	60	60	
2085	Greenholm Primary	90	90	
2138	Grestone Academy	90	90	
2121	Hawkesley Church Primary Academy	30	30	
2309	Heathfield Primary School	60	60	
2455	Heathlands Primary Academy	60	60	
2434	Hillstone Primary School	60	60	
3429	Hill West Primary School	60	60	
3402	Holy Cross Catholic Primary School	30	30	
3303	Holy Trinity CE Primary Academy (Handsworth)	30	30	
2111	Jervoise School	30	30	
4020	King Solomon International Business School	60	60	All-through free school opened with effect from Sept 2015. Coordinating Admissions through LA.
2073	Kings Rise Academy	45	45	
2096	Lea Forest Primary Academy	60	60	
2453	Leigh Primary School	60	60	
2075	Mansfield Green E-ACT Academy	60	60	
2463	Mere Green Primary School	60	60	Secretary of State approval was received for the Academy Trust proposal which expanded the school with effect from Sept 2015. The new PAN is 60 (from 30).
2100	Merritts Brook E-ACT Academy	30	30	
2070	Montgomery Primary Academy	90	90	
2078	Moor Green Primary School	60	60	
2038	Nansen Primary School - A Park View Academy	*180	120	Discussion underway with LA on reduction of PAN to 120 from Sept 2016.
2048	Nechells Primary E-ACT Academy	30	30	
2032	Nishkam Primary School	60	60	



DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
	Birmingham			
2263	Northfield Manor Primary Academy	60	60	
2064	Oaklands Primary (The)	60	60	
2102	Oasis Academy Blakenhale Infants	90	90	
2117	Oasis Academy Boulton	30	30	
2141	Oasis Academy Foundry	30	30	
2110	Oasis Academy Hobmoor	60	60	
2103	Oasis Academy Short Heath	60	60	
2105	Oasis Academy Woodview	60	60	
TBC	<i>Olive Primary School</i>	90	90	<i>Primary free school proposed to open with effect from Sept 2016 taking admissions across 4 nodal points. Pending formal Funding Agreement.</i>
3374	Our Lady of Fatima Catholic Primary School	30	30	
2249	Orchards Primary Academy (The)	30	30	
2458	Parkfield Community School	90	90	
2452	Pegasus Primary School	30	30	
2057	Percy Shurmer Academy	60	60	
TBC	<i>Perry Beeches - The Primary School I</i>	100	100	<i>Primary free school proposed to open with effect from Sept 2016. Pending formal Funding Agreement. Co-ordinating own Admissions in first year.</i>
4019	Perry Beeches V - The All Through Family Free School	100	100	All-through free school opened with effect from Sept 2015. Coordinating own Admissions in first year.
TBC	<i>Perry Beeches VI - The Free School</i>	-	100	<i>All-through free school proposed to open with effect from Sept 2017. Pending formal Funding Agreement. Co-ordinating own Admissions in first year.</i>
2003	Prince Albert Junior & Infant School	90	90	
2460	Robin Hood Academy	90	90	
2481	Rookery School	60	60	
2058	Shirestone Academy (The)	30	30	
2037	Slade Primary School	60	60	
3330	St Brigid's Catholic Primary School	60	60	
2059	St Clement's Church of England Academy	30	30	
2154	St Columba's Catholic Primary School	30	30	
2104	St Georges Church of England Academy, Newtown	60	60	

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2120	St George's Church of England Primary School	30	30	
3358	St James Catholic Primary School	30	30	
3306	St John's CofE Primary School	60	60	
2071	St John's & St Peter's CofE Academy	30	30	
2158	St Joseph's Catholic Primary (B30)	30	30	
3401	St Joseph's RC Primary School	60	60	
3015	St Mary's C of E Primary and Nursery Academy, Handsworth	60	60	
2061	St Michael's CofE Primary Academy, Handsworth	30	30	
3311	St Michael's Church of England Aided Primary School	60	60	
3403	St Nicholas Catholic Primary School	30	30	
3366	St Pauls Catholic Primary School	30	30	
3314	St Thomas' Church of England VA Primary School	30	30	
2098	Tame Valley Academy	30	30	
2195	Timberley Primary School	90	90	
2126	Tiverton Academy	30	30	
2449	Twickenham Primary School	60	60	
2068	Warren Farm Primary School	45	45	
4009	Waverley School	90	90	
2136	Woodhouse Primary Academy	60	60	
2480	Wychall primary School	60	60	
2146	Wyndcliffe Primary School	90	90	
2122	Yarnfield Primary School	90	90	
-	<b>Total</b>	<b>5180</b>	<b>5190</b>	

### **Year 3 Intake - Foundation and Voluntary Aided Schools** **Junior Schools**

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
3353	Bournville Junior School	96	96	
3307	St Laurence Church Junior School	90	90	
5202	Walmley Junior School	90	90	
-	<b>Total</b>	<b>276</b>	<b>276</b>	

### Year 3 Intake – Academies

#### Junior Schools

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
2182	ARK Chamberlain Primary Academy	150	150	
2107	Oasis Academy Blakenhale Junior	90	90	
2080	Reaside Academy	60	60	
2408	Town Junior School	60	60	
-	<b>Total</b>	<b>360</b>	<b>360</b>	

### Year 7 Intake - Foundation and Voluntary Aided Schools

#### Secondary Schools

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
4804	Archbishop Ilsley Catholic	210	210	
5413	Bishop Challoner Catholic College	180	180	
4801	Cardinal Wiseman Catholic Technology College	*129	110	Discussion underway with LA on reduction of PAN to 110 from Sept 2016.
5416	Colmers School and Sixth Form College	210	210	
4129	Dame Elizabeth Cadbury Technology College	125	125	
5403	Great Barr School	422	422	Discussion underway with LA on potential reduction to PAN from Sept 2016.
5402	Handsworth Grammar School	150	150	
4664	Holy Trinity Catholic Media Arts College	126	126	
5415	Kings Norton Boys' School	128	128	
4245	Moseley School	250	250	Discussion underway with LA on potential reduction to PAN from Sept 2016.
4173	Queensbridge School	170	170	
5401	Small Heath School	210	240	School proposing an increase of PAN to 240 from Sept 2016.
4663	St Edmund Campion Catholic School & Sixth Form Centre	186	186	
4625	St John Wall Catholic School - A Specialist Humanities College	120	120	
4606	St Paul's School for Girls	165	165	
4187	Turves Green Girls' School & Technology College	150	150	
-	<b>Total</b>	<b>2931</b>	<b>2942</b>	

**Year 7 Intake - Academies & Free Schools**  
**Secondary & All-through Schools**

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
4013	Golden Hillock School - A Park View Academy	180	180	
4001	ARK Kings Academy	120	120	
6908	St Alban's Academy	120	120	
4307	Arthur Terry School (The)	240	240	
4220	Aston Manor Academy	150	150	
4108	Bartley Green School - A Specialist Technology College	185	185	
5400	Baverstock Academy (The)	240	240	
4660	Bishop Vesey's Grammar School	160	160	
4661	Bishop Walsh Catholic School	150	150	
4017	Bournville School and Sixth Form Centre	210	210	
4227	Broadway School	210	210	
TBC	Eden Boys' School	100	100	Secondary free school opened with effect from Sept 2015. Coordinating Admissions through LA.
5410	Fairfax	250	250	
4005	Four Dwellings Academy	150	150	
5412	George Dixon Academy	180	180	
4006	Greenwood Academy	180	180	
5409	Hall Green School	180	180	
4240	Hamstead Hall Academy	180	180	
4207	Handsworth Wood Girls' Academy	*150	160	School proposing an increase of PAN to 160 from Sept 2016.
6910	Harborne Academy	120	120	
6905	Heartlands Academy	150	150	
4012	Hillcrest School - A Specialist Mathematics and Computing College & Sixth Form Centre	120	120	
4241	Holyhead School	210	210	
5408	King Edward VI Aston School	120	120	
5407	King Edward VI Camp Hill School for Boys	120	120	
5406	King Edward VI Camp Hill School for Girls	150	150	
5405	King Edward VI Five Ways School	180	180	
5404	King Edward VI Handsworth School	160	160	
6906	KE VI Sheldon Heath Academy	210	210	
4020	King Solomon International Business School	90	90	All-through free school opened with effect from Sept 2015. Coordinating Admissions

DfE	School Name	PAN Sep 2016	PAN Sep 2017	Comments
				through LA.
5414	Kings Norton Girls' School	160	160	
4057	Lordswood Boys' School	130	130	
4060	Lordswood Girls School & Sixth Form Centre	132	154	School proposing an increase of PAN to 154 from Sept 2017.
5411	Ninestiles School, an Academy	300	300	
4004	Nishkam High School	100	100	
6909	North Birmingham Academy	180	180	
4323	Rockwood Academy	120	120	
4109	Perry Beeches The Academy	180	180	
4002	Perry Beeches II – The Free School	100	100	
4011	Perry Beeches III – The Free School	100	100	
4016	Perry Beeches IV – The Free School	100	100	
4019	Perry Beeches V – The All Through Family Free School	100	100	All-through free school opened with effect from Sept 2015. Coordinating own Admissions in first year.
TBC	<i>Perry Beeches VI – The Free School</i>	-	100	<i>All-through free school proposed to open with effect from Sept 2017. Pending formal Funding Agreement. Co-ordinating own Admissions in first year.</i>
4331	Plantsbrook School	210	240	Secretary of State approval was received for the Academy Trust proposal for expansion under the Priority Schools Building Programme from Sept 2016.
4018	Saltley Academy	210	210	
6907	Shenley Academy	180	180	
4616	St Thomas Aquinas Catholic School	210	210	
4206	Stockland Green School	150	150	
4300	Sutton Coldfield Grammar School for Girls	180	180	
4014	University of Birmingham Free School (The)	150	150	Secondary free school opened with effect from Sept 2015 taking admissions across 4 nodal points. Coordinating Admissions through LA.
4084	Washwood Heath Academy	260	260	
4009	Waverley School	180	180	
4246	Yardleys School	180	180	
-	<b>Total</b>	<b>8577</b>	<b>8679</b>	

**Secondary Schools – Year 10 Intake**  
**14 – 19 Academies & Free Schools**

<b>DfE</b>	<b>School Name</b>	<b>PAN Sep 2016</b>	<b>PAN Sep 2017</b>	<b>Comments</b>
4003	Aston University Engineering Academy	120	120	
4000	Birmingham Ormiston Academy	150	150	
4010	Waverley Studio College	75	75	
-	<b>Total</b>	<b>345</b>	<b>345</b>	

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director of Place</b>
<b>Date of Decision:</b>	<b>16 February 2016</b>
<b>SUBJECT:</b>	<b>Council Housing Rent, Service Charges and Other Charges 2016/17</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001220/2016</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>Cllr. John Cotton - Cabinet Member for Neighbourhood Management and Homes</b> <b>Cllr Ian Ward, Deputy Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr. Zafar Iqbal - Neighbourhood and Community Services Overview and Scrutiny Committee</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of Report:</b>
<p>1.1 The report seeks approval for the council housing rent and service charges and garage rents that will be implemented from 4 April 2016. The proposals are consistent with the Chancellor of the Exchequer's Budget Statement in July 2015 and Spending Review and Autumn Statement in November 2015.</p> <p>1.2 The proposals are subject to the approval of the Budget for 2016/17 by Council on 1 March 2016 and are consistent with the HRA Business Plan 2016+ and the proposed HRA Budget for 2016/17.</p>

<b>2. Decision(s) Recommended:</b>
<p>Cabinet is requested to:</p> <p>2.1 Approve the changes to rents, service charges and garage rents to be implemented from 4 April 2016 (as set out in paragraphs 5.11, 5.12, 5.14 and 5.16).</p>

<b>Lead Contact Officer(s):</b>	Robert James
	Service Director – Housing Transformation Place Directorate
<b>Telephone No:</b>	0121 464 7699
<b>E-mail address:</b>	Robert.James@birmingham.gov.uk

### **3. Consultation**

#### **3.1 Internal:**

The Director of Finance has also been fully consulted and is supportive of the recommendations. Officers from City Finance and Legal Services have been involved in the drafting of this report.

#### **3.2 External:**

City Housing Liaison Board considered the rent proposals contained within this report at their meeting on 15 October 2015 and 21 January 2016.

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

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

This decision is consistent with the housing priorities set out in the Council Business Plan and Budget 2016+ and the HRA Business Plan 2016+.

#### **4.2 Financial Implications**

The revised charges will be implemented through existing approved resources for staffing and IT. The net reduction in income as a result of the proposed revised charges amounts to £2.4million and is included in the proposed HRA Budget for 2016/17.

#### **4.3 Legal Implications**

The Local Government and Housing Act 1989 sets out the obligations for annual reviews of rent and service charges and to ensure that there is a balanced budget for the ring-fenced HRA. This is supplemented by the national rent restructuring policy and the HRA Self-Financing Determination.

#### **4.4 Public Sector Equality Duty**

A copy of the initial screening is attached at Appendix 1 of this report. There are no specific issues identified, as the changes will be implemented for all tenants of the Council and all service users. It is estimated that 75% of council tenants will be insulated from the full impact of the revised charges from 4 April 2016 as they are eligible for support towards their housing costs through housing benefit or universal credit. Those tenants who require assistance will continue to be offered additional financial planning advice through the Central Housing Rents Team and Debt Advice Services in order to reassess and maximise benefit entitlement, and to help tenants to budget effectively.



## **5. Relevant Background/Chronology of Key Events:**

### **National Rent and Service Charge Policy**

#### **New Rent Policy – Effective from April 2015**

- 5.1 A new framework for social rents was confirmed in May 2014, setting out revised guidance to be followed by local authorities from April 2015 for a 10 year period. Whilst not mandatory, there was a firm expectation from central government that the guidance will be followed, and this is necessary to ensure that there are no consequential adverse impacts in relation to housing benefit regulations (if rents are increased above the government guidance then there is a loss of housing benefit reimbursement to the Council equivalent to 77% of the additional rent charged to tenants). This new rent policy affected rent setting in three ways, as set out below.
- 5.2 Firstly, the annual rent increase was changed from RPI + 0.5% to CPI + 1% (for 2015/16 – the first year of operation of this revised framework - the increase was calculated by reference to inflation in September 2014, and both of these calculations resulted in an increase of 2.2%). This amendment was consistent with the increasing adoption of CPI as the inflation measure for welfare benefits.
- 5.3 Secondly, “across the board” rent convergence increases were removed, with rents instead only increased to formula rents when a property is relet. This represented a substantial reduction in future rent levels for the Council, as the previous rent policy required convergence increases in both 2015/16 and 2016/17 to achieve formula rent levels. It is estimated that this represents an annual cost to the HRA of up to £10million per annum, and that it is now likely to take in excess of 20 years for all rents to be increased to formula rents on relet.
- 5.4 Thirdly, the new policy allowed local authorities the flexibility, but not the obligation, to charge market rents for properties with a household income in excess of £60,000. Whilst this would result in higher rents being charged for those properties affected, this element of the revised guidance in Birmingham was not implemented as it was considered that this was unlikely to affect tenants and the cost of administering such a system would outweigh the additional income that might be collected.

#### **New National Rent Policy – Effective from April 2016**

- 5.5 On 8 July 2015 the Chancellor of the Exchequer set out a substantial revision to the National Rent Policy that had only taken effect from April 2015. These changes were subsequently confirmed as a part of the Autumn Statement in November 2015. It is anticipated that these changes will become mandatory, with the underlying legislation incorporated into the proposed Welfare Reform Bill. This new policy will affect rents as set out below.
- 5.6 Rents to tenants are required to reduce by 1% per annum for four years commencing from April 2016, replacing the previous regime of annual increases of CPI + 1%. Over the four years to 2019/20, this will result in tenants’ rents being approximately 13% lower than would have been the case under the previous policy as assumed in the HRA Business Plan 2015+. The resources available to each local authority’s HRA will however be reduced on an ongoing basis as a result of this change and the impact in Birmingham is estimated at £42m per annum by 2019/20.

- 5.7 The strategy that has been adopted to balance the HRA Self Financing Business Plan 2016+ to reflect this new rent policy is outlined in the HRA Section of the City Council Business Plan and Budget 2016+.
- 5.8 There are no changes to the existing national guidelines in respect of service charges to tenants. The principle continues to be the recovery of the cost of services provided, including an appropriate proportion of overhead costs. This policy will continue to be applied by the Council.

#### Draft Housing and Planning Bill

- 5.9 The Housing and Planning Bill is currently being progressed through Parliament (including the House of Lords) and this is likely to introduce further changes that will affect the current rent policy.
- 5.10 In particular, this will include proposals that are referred to as 'Pay to Stay'. In effect, local authorities and housing associations will be required to charge market rents to tenants where household income exceeds £30,000. The details of how this requirement will be administered have not yet been finalised, but the requirement is likely to be effective from April 2017. Housing Associations will be allowed to retain any additional income as a result of this change, but local authorities will be required to pass on any additional income generated (net of administration costs) to central government. The Cabinet Member for Neighbourhood Management and Homes has submitted a response to the consultation paper by the CLG setting out his concerns on the proposals and the City Council has also expressed its opposition to the policy through a resolution passed at a meeting held on 1 December 2015.

#### **Birmingham City Council Rent and Service Charge Proposals for 2016/17**

- 5.11 It is proposed that rents for existing tenants are reduced by 1% in line with the new policy, with effect from 4 April 2016. The average weekly rent to be implemented as a result of this revision will be £81.78 per week compared to £82.61 for 2015/16 (this equates to a rent of £88.58 per week over a 48 week cycle, with 4 weeks rent payment holidays, 2 weeks in each of December 2016 and March 2017). It is further proposed that rents for new tenants are set at formula rents as set out in the Government publication "Guidance on Rents for Social Housing" as published in May 2014.
- 5.12 It is proposed that rents charged for properties let at affordable rents continue to be calculated by reference to formula rents, with uplift on a 52 week basis of £2.70 per week (reduced by 1% from 2015/16), with the overall rent charged representing approximately 71% of market rents in Birmingham. This is being implemented to comply with the conditions for the receipt of Affordable Housing Grant from the Homes and Communities Agency.
- 5.13 The table overleaf shows the key elements of expenditure funded from the weekly rent, including a comparison between the projected outturn for 2015/16 and the proposed budget for 2016/17. The exemplifications of typical rent levels on a 52 week basis for the main property types and sizes are set out in Appendix 2.

	<b>2015/16 £pw</b>	<b>2016/17 £pw</b>	<b>Change £pw</b>	<b>%</b>
Repairs	19.65	19.31	-0.34	-1.7%
Local Housing Costs	18.41	18.80	+0.39	+2.1%
Voids & Arrears	3.39	2.29	-1.10	-32.4%
Debt Financing Costs	15.98	15.76	-0.22	-1.4%
Debt Repayment	5.29	0.34	-4.95	-93.6%
Contributions for Capital Investment	15.77	22.83	+7.14	+45.3%
Other	4.12	2.45	-1.67	-40.5%
<b>Total Weekly Rent (52 wk basis)</b>	<b>82.61</b>	<b>81.78</b>	<b>-0.83</b>	<b>-1.0%</b>

The analytical and comparative work with other local authorities (Core Cities, Metropolitan Authorities and London Boroughs) that was undertaken as a part of the Service Review Programme has been updated using the latest published figures for 2013/14. The conclusions from this work are summarised below:

- the Council is delivering an efficient local housing service – spending only 21% of all rent on delivering the Service (compared to 41% in London, 29% in Metropolitan Districts, 28% in Unitary Authorities and 26% in Districts)
- the Council spent 25% of all rent on the Repairs Service (compared to 21% in London and in line with the other family groups – in part, for the Council, this is a reflection of the investment made in the stock and therefore reducing day to day repairs expenditure).
- the Council also spent considerably more of the rent income for long term investment and reduction of debt at 50% (compared to 33% in London, 34% in Metropolitan Districts, 39% in Unitary Authorities and 45% in Districts).

5.14 It is proposed that service charges are increased to reflect changes in costs of service delivery as a result of pay and price inflation. The service charges are separately calculated for each District for Caretaking and Cleaning charges, with other charges calculated on a Citywide basis and in all cases will be levied over a 48 week cycle alongside the weekly rent, with the major average charges on a 52 week basis as follows:

<b>Service Charge</b>	<b>April 2015 Average Charge</b>	<b>April 2016 Average Charge</b>	<b>Change from 2015/16</b>
Door Entry / Night-time Security	£8.97	£9.05	0.9%
Traditional Concierge / Night-time Security (Bloomsbury EMB only)	£19.26	£19.43	0.9%
Cleaning	£2.52	£2.58	2.4%
Multi-Storey Communal Areas	£6.29	£6.35	0.1%
Caretaking	£8.81	£8.89	0.9%
Sheltered – high rise	£4.55	£4.59	0.9%
Sheltered – low rise	£6.65	£6.71	0.9%
Careline	£1.85	£1.87	1.1%

- 5.15 The rent and service charge variation proposals will ensure that the debt allocation to Birmingham City Council through the implementation of Self-Financing from 1 April 2012 remains affordable, whilst ensuring that services to tenants can be maintained at an appropriate level.
- 5.16 It is proposed to increase garage rents from 6 April 2016 to £6.45 per week (currently £5.91 per week) over a 52 week cycle, equivalent to an increase of 9.1%. This represents the fifth year of a 10-year programme to improve the Council's garage provision, including a rationalisation of holdings, improvements to retained garages and a realignment of garage rents to become closer to market levels and garage rents levied by other local authorities.

## **6. Evaluation of Alternative Option(s):**

- 6.1 As a part of the annual Budget setting process, the Council is required to consider the appropriate level of variation to be implemented for rents and service charges to ensure that expenditure plans are affordable.
- 6.2 The proposed rent reduction for 2016/17 is consistent with national rent setting policy. HRA rents will continue to be around 70% of market rents in Birmingham, and also compare favourably with those charged by Registered Providers.
- 6.3 Implementing a higher rent increase than proposed may be unlawful and would be likely to have an adverse impact on the ability of HRA tenants to pay their rent, and have a consequential adverse impact on levels of arrears. Taken together with the impact on tenants' financial wellbeing, this option is not considered appropriate.
- 6.4 Implementing a lower rent increase than proposed would create additional financial pressures on the HRA, and result in a reduction in levels of service provided to tenants. This represents a substantial risk to the effective management of council housing, and is not recommended.

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

- 7.1 The annual changes to the rent and service charges are a key decision and require the approval of Cabinet. The changes are consistent with the approved HRA Business Plan 2016+.
- 7.2 The rent and service charge income is a key component of the ring fenced HRA Budget that is scheduled for consideration of the overall Budget for 2016/17. The reduced income that will be generated in the HRA in 2016/17 and future years from the proposed changes, when taken alongside other compensating budget savings proposals, will ensure that the HRA Self-Financing Settlement continues to be affordable.

<b>Signatures</b>	<b><u>Date</u></b>
Cllr John Cotton Cabinet Member for Neighbourhood Management and Homes	.....
Cllr Ian Ward Deputy Leader	.....
Jacqui Kennedy: Acting Strategic Director for Place	.....

<b>List of Background Documents used to compile this Report:</b>
Report to Cabinet Member for Housing (16 January 2012) – HRA Municipal Garage Strategy
CLG Publication – HRA Self-Financing Determination (February 2012)
CLG Publication – Guidance on Rents for Social Housing (May 2014)
Council Business Plan and Budget 2016+ (including HRA Business Plan 2016+)

<b>List of Appendices accompanying this Report (if any):</b>
1. Appendix 1 – Equalities Assessment
2. Appendix 2 – Exemplifications of typical rents by property type and size

## Exemplification of Typical Rent by Property Type and Size

Property type	Property Size	Existing Tenants				New Tenants
		2015/16	2016/17	Decrease		Formula Rent
		£ per week	£ per week	£ per week	%	2015/16 £ per week
Flat	1 bedroom	69.11	68.42	0.69	1.0%	69.72
	2 bedroom	74.74	73.99	0.75	1.0%	75.69
	3 bedroom	85.34	84.49	0.85	1.0%	87.53
House	2 bedroom	85.31	84.46	0.85	1.0%	86.97
	3 bedroom	95.16	94.21	0.95	1.0%	98.79
	4 bedroom	103.41	102.38	1.03	1.0%	105.18
Bungalow	1 bedroom	76.82	76.05	0.77	1.0%	77.86
	2 bedroom	87.28	86.41	0.87	1.0%	89.68
Maisonette	2 bedroom	79.68	78.88	0.80	1.0%	81.54
	3 bedroom	86.17	85.31	0.86	1.0%	96.36

Note: the above table sets out the proposed rent charges (excluding service charges) on a 52 week basis, for the main categories of property held within the HRA (representing in excess of 98% of the homes held within the HRA).

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Council Housing Rent, Service Charges And Other Charges 2016/17
<b>Directorate</b>	Place
<b>Service Area</b>	Landlord Services
<b>Type</b>	Reviewed Policy
<b>EA Summary</b>	Impact on service users of changes to Housing Rent, Service Charges and other Charges 2016/17 financial year.
<b>Reference Number</b>	EA001088
<b>Task Group Manager</b>	mark.simpson@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2016-01-14 00:00:00 +0000
<b>Senior Officer</b>	guy.olivant@birmingham.gov.uk
<b>Quality Control Officer</b>	PlaceEAQualityControl@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 Reviewed Policy.

## 2 Overall Purpose

### 2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	<p>Aims: These proposals for 2016/17 do not propose to alter the ring-fenced HRAs core activity which is to provide and support the delivery of Council housing as part of an overall balanced budget.</p> <p>Objectives: Fully consistent with the housing priorities set out in the Council Business Plan and Budget 2016+ and the HRA Business Plan 2016+ to provide affordable and sustainable housing for residents.</p> <p>Outcomes: The rent and service charge income is the key component of the HRA Budget and the reduced income that will be generated for both 2016/17 and future years from these proposals, when taken alongside other budget proposals, will ensure that the HRA Self-Financing Settlement continues to be affordable.</p> <p>The proposals are consistent with the revised National Rent Policy that was confirmed in July 2015 for implementation from April 2016.</p> <p>Benefits: Proposals will ensure that services to Council tenants can continue to be maintained at an appropriate level and also may provide potential regeneration opportunities.</p>
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For each strategy, please decide whether it is going to be significantly aided by the Function.

Public Service Excellence	No
A Fair City	No
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
Will the policy have an impact on employees?	No
Will the policy have an impact on wider community?	No

### 2.3 Analysis on Initial Assessment

The Housing Rent & Service Charges for 2016/17 will be applied, without exception, to all tenants of the Council. The other charges reviewed as a part of this report will be applied for all service users requesting the underlying services. Additionally, the Service Charges are subject to regular reviews to ensure they remain appropriate and that they offer value for money for all users of these services.

There will be no negative effect on people in respect of disability, gender, including gender identity, race, age, religion and belief and sexual orientation as a result of these proposals.

A Full Equality Assessment is not required.



It is estimated that 75% of council tenants will be insulated from the full impact of the increased charges from 4 April 2016 as they are eligible for support towards their housing costs through housing benefit or universal credit. Those tenants who require assistance will continue to be offered additional financial planning advice through the Central Housing Rents Team and Debt Advice Services in order to reassess and maximise benefit entitlement, and to help tenants to budget effectively.

The income that will be generated in the HRA in 2016/17 and future years from the proposed changes, when taken alongside other budget proposals, will ensure that the HRA Self-Financing Settlement continues to be affordable, whilst ensuring that services to tenants can be maintained at an appropriate level.

#### Consultation

##### Internal:

The Deputy Leader has been consulted on the proposed charges for 2016/17 and supports this report proceeding to executive decision. The Director of Finance has also been fully consulted and is supportive of the recommendations. Officers from City Finance and Legal Services have been involved in the drafting of this report.

##### External:

City Housing Liaison Board considered the rent proposals contained within this report at their meeting on 15 October 2015 and 21 January 2016.

### **3 Concluding Statement on Full Assessment**

There is no potential for discrimination or adverse impact arising from these proposals.

The Housing Rent & Service Charges for 2016/17 will be applied, without exception, to all tenants of the Council. The other charges reviewed as a part of this report will be applied for all service users requesting the underlying services. Additionally, the Service Charges are subject to regular reviews to ensure they remain appropriate and that they offer value for money for all users of these services.

There will be no negative effect on people in respect of disability, gender, including gender identity, race, age, religion and belief and sexual orientation as a result of these proposals.

### **4 Review Date**

01/10/16

### **5 Action Plan**

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

<b>Report to:</b>	<b>CABINET</b>	
<b>Report of:</b>	<b>Acting Strategic Director of Place</b>	
<b>Date of Decision:</b>	<b>16 February 2016</b>	
<b>SUBJECT:</b>	<b>BIRMINGHAM COUNCIL HOUSING INVESTMENT PROGRAMME 2016/17.</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001368/2016</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 John Cotton – Neighbourhood Management and Homes and Councillor Stewart Stacey – Cabinet Member for Commissioning, Contracting and Improvement</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Zafar Iqbal – Neighbourhood and Community Services Councillor Waseem Zaffar – Corporate Resources</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>1. Purpose of report:</b>
<p>1.1 To seek approval for the Full Business Case for the scope of work to be included in the Birmingham Council Housing Investment Programme 2016/17 of £59.108 million within a total Housing Investment Capital budget of £133.463 million, including clearance and redevelopment costs.</p> <p>1.2 To inform Cabinet that this programme will deliver improvements to around 5,800 existing council properties and will include the provision of new kitchens and bathrooms, upgraded central heating systems, door, window, roof replacements and structural works to non-traditional construction type properties including thermal efficiency works, replacement double glazed PVCU windows, replacement heating system (Eco Pod) and roof replacement works to 16 high-rise tower blocks across the city, with works to be delivered through the recently awarded contracts for Housing Repairs, Gas Servicing, Capital Works and Major Adaptations.</p>

<b>2. Decision(s) recommended:</b>
That Cabinet:
<p>2.1 Approves the Full Business Case (<b>Appendix 1</b>) for the scope of works to be included in the Birmingham Council Housing Investment Programme 2016/17 at an estimated capital cost of £59.108 million after taking account of slippage and acceleration from the 2015/16 programme.</p> <p>2.2 Authorises the Service Director, Housing Transformation and Head of Capital Investment to allocate the Housing Investment works and place orders with the recently procured service providers as shown in Appendix 6 in accordance with the scope of those contracts.</p> <p>2.3 Notes the allocation of £74.355 million for clearance and new build activity included within the Housing Investment Capital Finance budget of £133.463 million, with specific scheme details to be the subject of further reports as appropriate sites are identified.</p>

- 2.4 Notes the indicative Capital Programme for 2018/19 and 2019/20 of £115.380 million and £98.534 million respectively.
- 2.5 Authorises the City Solicitor to negotiate, execute, seal and complete all necessary documents to give effect to the above recommendations.

<b>Lead Contact Officer(s):</b>	Martin Tolley – Head of Capital Investment
<b>Telephone No:</b>	0121 303 3974
<b>E-mail address:</b>	<a href="mailto:martin.tolley@birmingham.gov.uk">martin.tolley@birmingham.gov.uk</a>

### 3. Consultation

#### 3.1 Internal

The proposals for the Housing Investment Programme for 2016/17 are consistent with the budget report presented to Cabinet. The following members have been consulted and support the proposals going forward for Executive decision.

Councillor Ian Ward	Deputy Leader
Councillor Zafar Iqbal	Neighbourhood and Community Services Overview and Scrutiny Committee Chairman.

3.2 District Committees will continue to prioritise the District Environmental Works Investment Projects for their area, as detailed in **Appendix 2** and in paragraph 5.5 below.

3.3 Officers in Legal Services and City Finance have been involved in the preparation of this report.

#### 3.4 External

The City Housing Liaison Board have been consulted and endorse the programme as outlined in this report.

### 4 Compliance Issues

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

Improving the Council owned housing stock directly contributes to the strategic outcomes of the Sustainable Community Strategy, the proposed Council Business Plan and Budget 2016+. In particular there is a specific target under the theme of securing a high quality of life for residents. Stock improvements will also impact upon the other strategic outcomes, most notably on the aspiration for healthier communities and carbon reduction.

The Council will upgrade its stocks thermal performance by energy efficient measures that may include whole property retrofit in line with the City's wider sustainability strategy

set by Birmingham's Green Commission through the Carbon Roadmap. These works will include the replacement of existing older inefficient heating systems, external insulation, hard to treat cavity wall and loft insulation and any other innovative energy efficiency works. This will further contribute to targets within the Commission's Carbon Roadmap to reduce carbon dioxide emissions by 60% by 2027 and alleviate fuel poverty. The Council's approach will be to identify additional funding routes such as Energy Company Obligation (ECO), Renewable Heat Incentive (RHI) and any other funding routes that may become available in the future.

#### 4.2 Financial Implications

The total capital funding for these schemes is contained within the proposed Housing Public Sector Capital Budget 2016/17. The programme will be funded in line with the anticipated resources set out in the Council's Business Plan and Budget 2016+, which is scheduled for consideration at the Council Meeting on 1 March 2016.

This capital expenditure will ensure that the properties remain available for letting, hence protecting the net rental income to the Housing Revenue Accounts (HRA) in line the Council's proposed Business Plan and Budget 2016+.

In the event that capital resource availability for these purposes is changed, the programme will be amended to reflect such changes through the existing quarterly review process with detailed approval to be sought through Cabinet and Strategic Director reports, as appropriate.

#### 4.3 Legal Implications

The proposed allocation of work is consistent with the effective management of the Council's housing stock under Part II Housing Act 1985. The award of new contracts for Responsive Repairs and Maintenance Services, Gas Servicing and Capital Improvement Work Programmes (including Major Adaptations to Council Housing Stock) in the North, South, West-Central and East areas of Birmingham. (Contract Ref F0239) was approved by Cabinet in November 2015, with a commencement date for the new contracts of 1 April 2016 **Appendix 6**.

#### 4.4 Public Sector Equality Duty

In making its decision Cabinet is required to have due regard to the public sector equality duty, the outcome of the screening is attached as **Appendix 5A**. In relation to the programme, due regard has been paid to the requirements of the Equality Act 2010 and an Equality Assessment has been carried out which has shown that the programme will not have any adverse effects due to the resulting extended lifecycles of the housing stock and improvements to the thermal comfort and the quality of life for the Council's tenants.

The requirements of Standing Order No. 9 in respect of the Council's Equal Opportunity Policy will be incorporated in the contracts for projects carried out within the programme.

#### 4.5 Public Services (Social Value) Act 2012

The Public Services (Social Value) Act has been considered. The recently procured service providers have signed up to the Birmingham Business Charter for Social Responsibility and have all provided action plans. Any sub-contractors/new suppliers will be required to sign the Birmingham Business Charter for Social Responsibility.

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

### The Council's Stock

- 5.1 The City Council currently owns and manages a portfolio of 63,138 residential properties (as at December 2015). This includes a high proportion of non- traditionally built homes and the average age of our properties is approaching 70 years. The majority of this year's capital investment programme is proposed to be funded from revenue contribution from the Housing Revenue Account (£75.143 million).
- 5.2 To safe-guard the condition/asset value of our stock achieved through previous capital investment programmes, all future investment programmes will be targeted on the principle of expired component lifecycles. This is achieved by holding detailed stock condition information within the asset management database (Apex). In an effort to ensure that the initial programme identified by Apex is targeted and appropriate, all properties proposed to be included will be pre surveyed. If the lifecycle of the component can be extended the property will not be included in the programme and will be re-inspected in future years. In essence, the housing stock will self-select for inclusion in the programme based upon the expired lifecycle rule. All programmes are shared across the Place and Economy Directorates to ensure the appropriateness of the investment.

### HRA Self Financing Business Plan 2016+ and Asset Management Principles

- 5.3 The HRA Self Financing Business Plan 2016+ is included in the overall draft Council Business Plan and Budget which sets out the long term service and financial strategy. The key asset management principles are set out below:
- Continued maintenance to protect the investment already undertaken as to avoid impairment/disrepair charges and to allow retention of affordable future debt levels. This will include the lifecycle replacement of major property components (e.g. windows, heating, kitchens, bathrooms, roofs and electrical wiring) and an estimated average of £50-55m will need to be spent annually on this programme. The outcome of this expenditure is detailed in **Appendix 2**.
  - To deliver bespoke structural investment packages including, external wall insulation, roofing, windows, heating change and lighting to 16 tower blocks across the city.
  - To provide an annual programme of a minimum of £3.286 million to provide adaptations to Council dwellings to promote independent living.
  - Clearance of obsolete and unviable dwellings together with a new build programme to provide replacement affordable housing.

Under the HRA Self Financing regime, expenditure must be allied to these principles.

Delivery of the Investment Programme for 2016/17

- 5.4 The Investment Programme will be delivered through the recently awarded contracts for Responsive Repairs & Maintenance Services, Gas Servicing, Capital Improvement Work Programmes including Major Adaptations to Council Housing Stock in the North, South, West-Central and East areas of Birmingham **Appendix 6.**
- 5.5 A sum of £0.800 million has been identified in Appendix 2 for capital environmental works to HRA assets in neighbourhoods. It is proposed that this sum be allocated on a district basis based on the housing stock in that locality and that Landlord services consult with District Committees and the Housing Liaison Boards to prioritise investment projects.

Performance of 2015/16 Investment Programme

- 5.6 The 2015/16 investment programme budget allocation will result in 100% budget spend. Further details are set out in Appendix 1.

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

- 6.1 The option of not investing in the improvement of our housing stock is discounted as it would result in an increasing number of properties becoming unlettable and increasing levels of disrepair litigation.
- 6.2 The allocation of resources between different components within the programme is derived from detailed stock condition information. Whilst it would be possible to allocate resources differently between priorities within the proposed programme, the current arrangement represents the best fit in terms of value for money and protecting the Council's assets.

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

- 7.1 To progress the Birmingham Council Housing Investment Programme 2016/17 of £59.108 million within a total budget of £133.463 million.

**Signatures**

**Date**

Cabinet Members:

.....  
Councillor John Cotton -  
Cabinet Member for Neighbourhood Management and Homes

.....  
Councillor Stewart Stacey –  
Cabinet Member for Commissioning, Contracting and Improvement

Chief Officer:

.....  
Jacqui Kennedy – Acting Strategic Director of Place

<b>List of Background Documents used to compile this Report:</b>	
Council's Business Plan and Budget 2016+	
<b>List of Appendices accompanying this Report (if any):</b>	
1.	Appendix 1 Full Business Case
2.	Appendix 2 Public Sector Housing Capital Investment 2016/17
3.	Appendix 3 Risk Assessment
4.	Appendix 4 Stakeholder Analysis
5.	Appendix 5A Equality Assessment, 5B Public Sector Equality Duty Statement
6.	Appendix 6 New Repair contract map

<b>Report Version</b>		<b>Dated</b>	
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<b>Full Business Case (FBC)</b>			
<b>1. General Information</b>			
<b>Directorate</b>	Place	<b>Portfolio/Committee</b>	Neighbourhood Management and Homes
<b>Project Title</b>	Birmingham Council Housing Investment Plan 2016/17	<b>Project Code</b>	Various
<b>Project Description</b>	<p>The investment set out in this report represents the detailed proposals for improvements in the condition of Council housing in 2016/17 as a part of the ongoing programme of capital investment as outlined in the HRA Business Plan and Budget 2016+.</p> <p>The annual programme for 2016/17 forms a part of a continued programme of investment in Council housing in Birmingham, which has been under way for many years and that is expected to continue for as long as the Council retains ownership of Council housing. The HRA Business Plan sets out an overall financial plan for ongoing housing investment over a 30-year period, showing the continuation of this programme throughout that period, with the investment fully funded throughout the Business Plan period.</p> <p>With 63,138 homes currently held within the HRA (as at 11 December 2015), many of which are over 70 years old, it is inevitable that there is an extremely high demand for capital works to the properties, to such an extent that it would not be possible to address all needs in any single year, either from an affordability or a delivery perspective. For each annual investment programme, it is therefore important that the properties to benefit from investment are prioritised to ensure maximum benefit across the City.</p> <p>The City's estates are prioritised according to investment need driven by expired lifecycle elements derived from detailed stock condition information held for each property. Investment is then directed to the appropriate areas within each District. Individual elements for renewal are identified from a combination of urgent need to ensure properties are at a lettable standard and overall investment need as identified from the stock condition data, taking account of any plans for regeneration of estates or other investment being undertaken.</p> <p>Financial and non-financial delivery of the overall investment programme is reported to the Housing Transformation Board (chaired by the Service Director of Housing Transformation) as an integral part of the established reporting process.</p> <p>As the annual programme is delivered, and resource availability changes (whether through identification of additional funding opportunities or changes in levels of generation of capital receipts etc.), changes to the approved programme and associated outputs will be reported through the existing capital budget reporting structure, including quarterly reports to Cabinet.</p> <p>As a part of this programme, it is anticipated that around 5,800 properties will receive improvements during 2016/17. The key elements to be improved include kitchens, bathrooms, central heating systems, doors, windows, roofs and fire protection works as set out in the Benefits Quantification section below. Actual performance against these targets will be reported as a part of the 2017/18 programme report.</p> <p>For the 2015/16 programme, the following programmes show an indicative</p>		

	level completion. Key outputs as compared to the approved Full Business Case for 2015/16 are summarised in the following table.																																																									
	<table><tr><td></td><td>FBC Target</td><td>Actual completions December 2015</td><td colspan="2">Estimated Completions 31 March 2016</td></tr><tr><td>Kitchens</td><td>445</td><td>211</td><td colspan="2">360</td></tr><tr><td>Bathrooms</td><td>445</td><td>211</td><td colspan="2">360</td></tr><tr><td>Central Heating/Boilers</td><td>1,000</td><td>790</td><td colspan="2">1,000</td></tr><tr><td>Windows</td><td>555</td><td>655</td><td colspan="2">655</td></tr><tr><td>Doors</td><td>1,220</td><td>1,574</td><td colspan="2">1,574</td></tr><tr><td>Roofs</td><td>286</td><td>211</td><td colspan="2">230</td></tr><tr><td>Fire Protection</td><td>750</td><td>217</td><td colspan="2">750</td></tr><tr><td></td><td></td><td></td><td colspan="2"></td></tr><tr><td></td><td></td><td></td><td colspan="2"></td></tr></table>						FBC Target	Actual completions December 2015	Estimated Completions 31 March 2016		Kitchens	445	211	360		Bathrooms	445	211	360		Central Heating/Boilers	1,000	790	1,000		Windows	555	655	655		Doors	1,220	1,574	1,574		Roofs	286	211	230		Fire Protection	750	217	750														
	FBC Target	Actual completions December 2015	Estimated Completions 31 March 2016																																																							
Kitchens	445	211	360																																																							
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Roofs	286	211	230																																																							
Fire Protection	750	217	750																																																							
Links to Corporate and Service Outcomes	<p>Improving the Council owned housing stock directly contributes to the strategic outcomes of the Sustainable Community Strategy, the Council Business Plan and Budget 2016+. Stock improvements will also impact upon the other strategic outcomes, most notably on the aspiration for healthier communities. The report is also consistent with the policy priorities for Housing as set out in the Housing Business Plan and Budget Plan 2016+.</p> <p>The replacement of existing older heating systems with new condensing boilers, installation of external insulation, cavity wall and loft insulation will contribute to targets within the Council's Climate Change Strategy to reduce carbon dioxide emissions and fuel poverty.</p>																																																									
Project Definition Document Approved by	N/A	Date of Approval	N/A																																																							
Benefits Quantification- Impact on Outcomes	Measure		Impact (units)																																																							
	The housing improvement programme is delivered to improve/replace as individual elements reach the end of their useful lives, and is focused on ensuring that our stock is fit for purpose and maintains its asset value for future years with investment targeted to further reflect tenant aspirations as to which aspects of property improvements are most valued.																																																									
	Key elements of properties to be renewed / improved are set out in the table below.																																																									
	<table><tr><th>Measures</th><th>North</th><th>South</th><th>East</th><th>Central west</th><th>Total</th></tr><tr><td>Kitchens</td><td>71</td><td>154</td><td>126</td><td>16</td><td>367</td></tr><tr><td>Bathrooms</td><td>59</td><td>102</td><td>107</td><td>5</td><td>273</td></tr><tr><td>Central Heating/Boilers</td><td>185</td><td>390</td><td>280</td><td>280</td><td>1,135</td></tr><tr><td>Windows</td><td>112</td><td>167</td><td>178</td><td>69</td><td>526</td></tr><tr><td>Doors</td><td>128</td><td>487</td><td>396</td><td>421</td><td>1,432</td></tr><tr><td>Roofs</td><td>67</td><td>135</td><td>91</td><td>28</td><td>321</td></tr><tr><td>Fire Protection</td><td>55</td><td>563</td><td>116</td><td>252</td><td>986</td></tr><tr><td>Soffits and Facia Replacement &amp; External Painting</td><td>NIL</td><td>21</td><td>16</td><td>NIL</td><td>37</td></tr></table>					Measures	North	South	East	Central west	Total	Kitchens	71	154	126	16	367	Bathrooms	59	102	107	5	273	Central Heating/Boilers	185	390	280	280	1,135	Windows	112	167	178	69	526	Doors	128	487	396	421	1,432	Roofs	67	135	91	28	321	Fire Protection	55	563	116	252	986	Soffits and Facia Replacement & External Painting	NIL	21	16	NIL
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	To deliver bespoke structural investment packages including, external wall insulation, roofing, windows, heating change and lighting to 16 tower blocks across the city, this will benefit circa 700 properties																																																									
	To deliver an electrical inspect and test programme to circa 7,600 properties and installation of 75 door entry systems plus 8 common rooms in sheltered housing schemes																																																									

<b>Project Deliverables</b>	The investment set out in this report will ensure the continued replacement/improvement of expired elements ensuring a lettable standard with improvements focussed on those aspects most valued by our tenants and identified through our asset management software as being in need of renewal.		
<b>Scope</b>	Capital works to Council housing, including structural works, kitchen and bathroom renewals, modernisation of heating systems, and clearance of properties.		
<b>Scope exclusions</b>	<ul style="list-style-type: none"> <li>• Site Clearance &amp; Acquisitions Activity</li> <li>• New Build</li> <li>• Revenue / Responsive Repairs</li> <li>• Complementary works to non-HRA assets</li> </ul>		
<b>Dependencies on other projects or activities</b>	Appointment and capacity of Strategic Partners / Repairs contractors to undertake work Planning permission – particularly for structural works Approval of future phases of BMHT new build programme Availability of additional or complementary funding including ECO initiatives Consultation with / agreement from key stakeholders including tenants, freeholders, Ward Members		
<b>Achievability</b>	<p>The detailed proposals covered by this report represent the continuation of an ongoing investment programme to maintain the physical condition of Birmingham's Council Housing.</p> <p>There is significant in-house expertise in managing and delivering a successful programme of this nature and size; although it should be noted that slippage/acceleration of certain elements of the programme can occur.</p> <p>The newly procured contractors were tendered with a view to delivering programmes of this size and it is therefore considered to be reasonable to expect that the programme as set out in this report can be delivered within the existing framework.</p> <p>There is a well-developed tenant engagement structure in place for delivering capital improvement programmes, as have been delivered for a number of years. It is anticipated that this will continue to be effective for 2016/17 through ongoing consultation.</p>		
<b>Project Manager</b>	Martin Tolley – Head of Capital Investment 0121 303 3974 <a href="mailto:Martin.tolley@birmingham.gov.uk">Martin.tolley@birmingham.gov.uk</a>		
<b>Budget Holder</b>	Martin Tolley – details as above		
<b>Sponsor</b>	Robert James – Service Director 0121 464 9819 <a href="mailto:robert.james@birmingham.gov.uk">robert.james@birmingham.gov.uk</a>		
<b>Project Accountant</b>	Nick Ward – Finance Manager 0121 464 4282 <a href="mailto:Nick.ward@birmingham.gov.uk">Nick.ward@birmingham.gov.uk</a>		
<b>Project Board Members</b>	As above, plus members of the Place Directorate Senior Management Team.		
<b>Head of City Finance (HoCF)</b>	Guy Olivant	<b>Date of HoCF Approval:</b>	29 January 2016

**PUBLIC SECTOR HOUSING CAPITAL INVESTMENT 2016/17**

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Council Housing Investment</b>			
Central Heating	3,094		
Windows	2,020		
Soffits & Fascias / External Painting	1,000		
Front Doors Secure by Design	1,000		
Rewires	5,349		
Structural Works - Tower Blocks/ECO/Green	15,200		
Kitchens	2,912		
Bathrooms	2,900		
Roofing	2,000		
<b>Housing Improvement Programme</b>	<b>35,475</b>		
Door Entry	2,300		
Communal Decorations	896		
Fire Protection Chutes and Soil Stacks	2,500		
Lift Refurbishments	1,500		
District Environmental Works	800		
Legionella	500		
Structural Investigations/ Advanced Design Fees	300		
Mains Electrical Rewire	2,500		
Rewire Communal Areas	1,962		
Fuel Poverty Initiatives	100		
Concierge Upgrade	300		
Garage Investment	772		
<b>Other Essential/Statutory Schemes</b>	<b>14,430</b>		
Desktop Refresh	250		
Major Works Voids – Kitchens	3,194		
Major Works Voids – Bathrooms	529		
Major Works Voids – Rewires	818		
Voids into Use	653		
Internal Fees	473		
Adaptations - Council Tenants	3,286		
<b>Other Programmes</b>	<b>9,203</b>		
<b>Council Housing Investment Programme</b>	<b>59,108</b>	<b>60,543</b>	<b>76,007</b>
<b>Redevelopment</b>			
New Build Programme	<b>63,565</b>	<b>47,996</b>	<b>18,527</b>
Clearance and Acquisitions Programme	<b>10,790</b>	<b>6,769</b>	<b>4,000</b>
<b>Redevelopment</b>	<b>74,355</b>	<b>54,765</b>	<b>22,527</b>
<b>Total Public Sector Housing Capital</b>	<b>133,463</b>	<b>115,308</b>	<b>98,534</b>

	2016/17 £000	2017/18 £000	2018/19 £000
<b>Financing</b>			
Revenue Contributions	(75,143)	(63,641)	(69,510)
New Borrowing	(26,983)	(12,434)	(5,139)
Other Resources	(31,337)	(39,233)	(23,885)
<b>Total Capital Financing</b>	<b>(133,463)</b>	<b>(115,308)</b>	<b>(98,534)</b>
<b>Net (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note:

The revenue implications of the proposed programme are accounted for in the HRA Business Plan and Budget 2016+ as part of the HRA dwellings repair costs which will be delivered on a fixed price per property basis through the new contractual arrangements due to start in April 2016. The 2016/17 budget allocation includes net slippage of £3.4m from the 2015/16 programme.

### Appendix 3

Description of Risk	impact	Probability	Score	Mitigation Measures	impact	Probability	Score
Contractor Capacity	4	2	8	Early discussion with contractors about programme of works.	2	2	4
Planning Approval Delays	4	1	4	Early engagement with Planners. This only applies to structural works.	2	1	2
Delays Due to Site Conditions	4	2	8	Outdoor work is planned during summer periods to avoid snow, heavy rain and inclement weather	2	1	2
Costs of Programme Delivery exceed available Resources	3	3	9	Recently awarded contracts include fixed prices for most elements of the planned investment programme. Programme performance will be monitored through the year and works accelerated or slipped to future years to fit resource availability.	3	1	3
Programme of Works not Delivered Within Timescale	4	2	8	Monthly contractor performance meeting and financial reviews. Service Improvement notice process within the contract.	2	1	2
No Access to Properties/Refusals of Work	3	4	12	Extensive consultation with tenants and robust procedures in place to deal with legal requirements (e.g. gas / electrical testing)	3	2	6

Possible Disrepair Litigation	4	4	16	Specific programmes to prevent successful challenge (reducing court & legal costs to allow focus of investment on improvements to properties) – key elements include soil stacks, heating & windows replacement programmes.	4	1	4
Customer satisfaction/expectations undeliverable	4	4	16	Successful delivery of programme in previous years has been reflected in consistently high levels of customer satisfaction. In forthcoming years a new programme of customer involvement for those that have had Capital Investment Works will be centred on reality checks, Customer Service User Panels and collation of Partners' satisfaction data.	4	1	4
Unforeseen additional works arise in course of undertaking improvements	3	3	9	Re-profile delivery programme as required. Also capacity is built within the programme running order and all foreseen risks are checked at programme issue.	2	2	4

**Capital Investment Programme**  
**Stakeholder Analysis****Birmingham City Council**

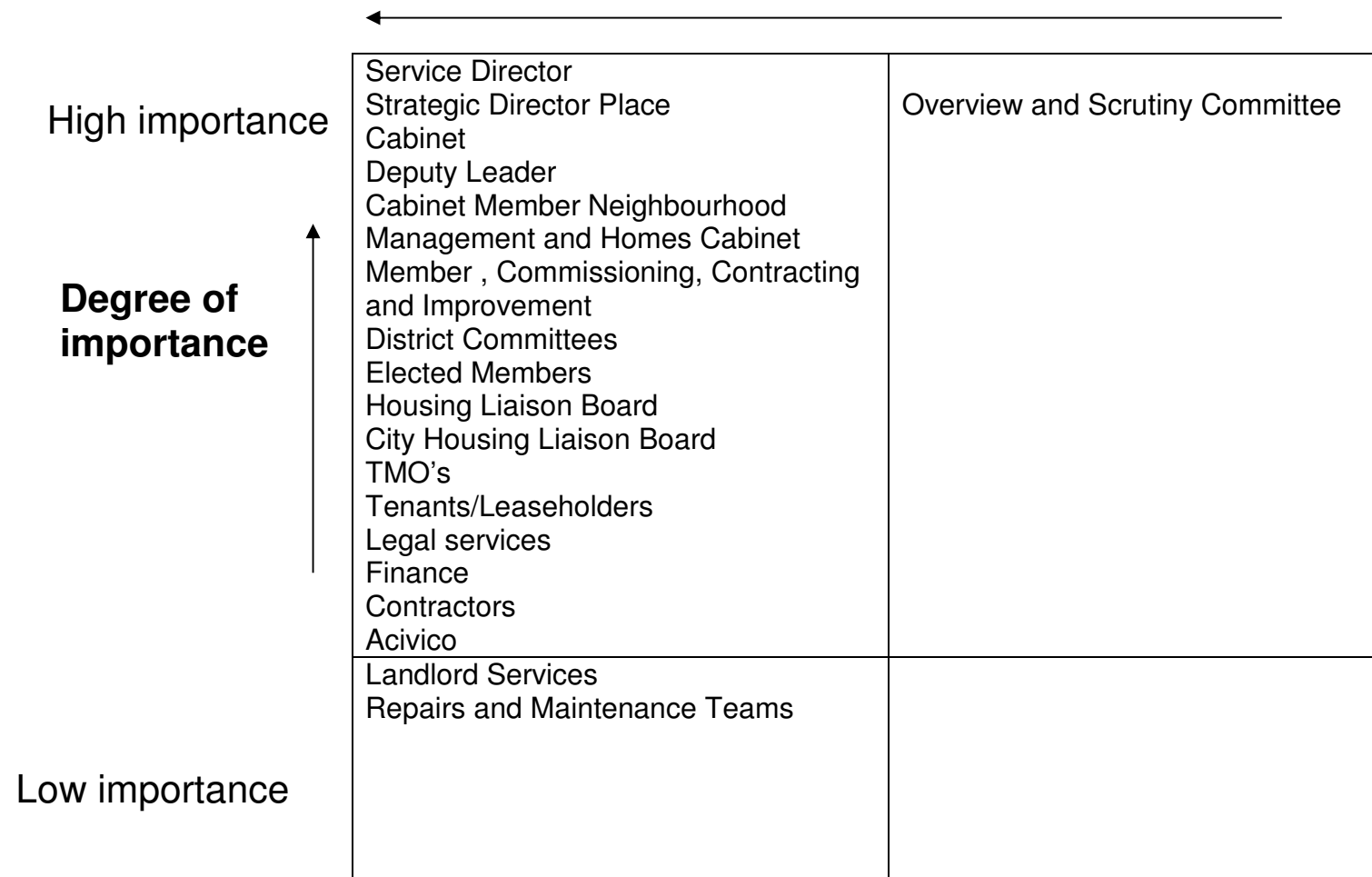
Service Director
Strategic Director Place
Cabinet Member, Commissioning, Contracting and Improvement and Cabinet Member Neighbourhood Management and Homes
Legal services
Finance
Cabinet
Deputy Leader
District Committees
Elected Members
Landlord Services
Repairs and Maintenance Teams
City Housing Liaison Board
Housing Liaison Board
TMO's
Tenants/Leaseholders
Contractors
Acivico



### Degree of influence

High influence

Low influence



Stakeholder	Stake in project	Potential impact on project	What does the project expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Head of Service	Head of service	High	Approval of Capital Investment Programme Report	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Strategic Director Place	Strategic Director	High	Approval of Capital Investment Programme Report and signature	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Cabinet	Cabinet	High	Approval of Capital Investment Programme Report	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Cabinet Member Neighbourhood Management and Homes, Cabinet Member Commissioning, Contracting and Improvement	Cabinet Members	High	Recommending the approval of Capital Investment Programme Report and signature	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Deputy Leader	Deputy Leader	High/Low	To inform/Consult the Capital Investment programme	To comment and identify any questions on behalf of the electorate	Note the report and contents	Head of Capital Investment
Overview and Scrutiny Committee	Electorate representatives	High/Low	To inform/Consult the Capital Investment programme	To comment and identify any questions on behalf of the electorate	Note the report and contents	Members of the Capital Investment Team
District Committees	Electorate representatives	High	To inform/Consult the Capital Investment programme	To comment and identify any questions on behalf of the electorate	Note the report and contents	Members of the Capital Investment Team
Elected Members	Electorate representatives	High	To inform/Consult the Capital	To comment and identify any questions on behalf	Note the report and contents	Members of the Capital

			Investment programme	of the electorate		Investment Team
City Housing Liaison Board	Tenant Representatives	High	To inform/Consult the Capital Investment programme	To inform on the scope and content overall of the Capital Investment Programme	Note the report and contents	Members of the Capital Investment Team
Housing Liaison Board	Tenant Representatives	High	To inform/Consult the Capital Investment programme	To inform on the scope and content overall of the Capital Investment Programme	Note the report and contents	Members of the Capital Investment Team
TMO's	Tenant Management organisation	High	To inform/Consult the Capital Investment programme	To inform on the scope and content overall of the Capital Investment Programme	Note the report and contents	Members of the Capital Investment Team
Tenants/Leaseholders	Customers	High	To inform of Capital Investment Programme	To inform of the scope	Information sharing in the public domain	Members of the Capital Investment Team
Legal Services	Legal	High	Approval of Capital Investment Programme Report	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Finance	Finance	High	Approval of Capital Investment Programme Report	Positive attitude, minimal risk of report rejection	Review report and Contents, including regular review, briefings/meetings with members and other stakeholders	Head of Capital Investment
Contractor	Contractor	High	Implement Capital works/Report progress	Positive attitude, minimal risk of report rejection	Note the report and contents	Members of the Capital Investment Team
Acivico	Contractor	high	Implement Capital works/Report progress	Positive attitude, minimal risk of report rejection	Note the report and contents	Members of the Capital Investment Team
Landlord Services	Service Representatives	Low/High	To inform/Consult the Capital Investment programme	To comments and identify any works included locally	Note the report and contents	Members of the Capital Investment Team
Repairs and Maintenance Teams	Service Representatives	Low/High	To inform/Consult the Capital Investment programme	To comments and identify any works included locally	Note the report and contents	Members of the Capital Investment Team



# Equality Analysis

## Birmingham City Council Analysis Report

EA Name	Capital Investment Programme
Directorate	Place
Service Area	Asset Management
Type	Reviewed Function
EA Summary	This EA document describes the function of the Capital Investment Programme including how it relates to the Cabinet report.
Reference Number	EA001120
Task Group Manager	Ray.A.Jones@birmingham.gov.uk
Task Group Member	
Date Approved	2016-01-27 00:00:00 +0000
Senior Officer	Paul.mcgrath@birmingham.gov.uk
Quality Control Officer	PlaceEAQualityControl@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 Reviewed Function.

## **2 Overall Purpose**

### **2.1 What the Activity is for**

---

<p>What is the purpose of this Function and expected outcomes?</p>	<p>The Housing Capital Investment Plan is part of Birmingham City Councils (BCC) budget approval process for maintaining and improving the condition of the City Councils stock, i.e. residential Properties.</p> <p>Each financial year, a Cabinet report is compiled by the Asset Management and Maintenance Divisions Capital investment Team and submitted to Cabinet.</p> <p>The Cabinet report seeks approval for the scope of work to be included in BCC Housing Investment Programme which includes clearance and redevelopment costs. We also seek authority for the Strategic Director of Place in consultation with the Cabinet Member for Health and Wellbeing to allocate the Investment Programme between the Constructing West Midlands Framework, other housing repair service Partners and other specialist providers.</p> <p>The report also contains an outline proposal as to how the budget will be allocated to the different type of works to be carried out. Once approved, the identified programme of work, e.g. stock improvement to windows, doors, kitchens, bathrooms, roofs etc, along with the allocated budget will form the framework for delivery known as the Capital Investment Programme.</p> <p>The Capital Investment Programme is essentially driven by stock data targeting expired building elements (e.g. windows, doors, kitchens, bathrooms, roofs etc) that have reached the end of their design life cycle.</p> <p>As the Capital Investment Programme determines where and how the actual programme works should be delivered, the focus is initially on how to improve the actual property and as such generally does not take into account who the occupant is or what their circumstances maybe.</p> <p>Historically, Customers generally experience an improvement in the quality of their lives directly proportionate to the improvement to their property. Additionally, once the programme is determined the focus soon centres on the needs of the Customer and how the process will need to be adapted to suit their requirements.</p> <p>The work that is required for each property is prioritised according to expired element life cycles:</p> <p>The Capital Investment Programme work that is required falls into three headings:</p> <ul style="list-style-type: none"> <li>o Expired Lifecycles,Essential Capital Investment works and statutory obligations, Additional Programme works.</li> </ul> <p>Expired Lifecycles will include:</p> <p>Roofs flat &amp; pitched, Kitchen &amp; Bathrooms, Structural Works, Rewires,Complete the work to the common areas in the sheltered schemes,Central Heating Systems &amp; boilers,Secure By Design Doors, Window replacement.</p> <p>Essential Capital Investment works and statutory obligations include:</p> <p>D.D.A, Fire Protection Work, Lift Refurbishment, Door Entry systems, Environmental work, Legionella,Communal area electrical testing, Refuse Chutes / Soil Stacks, Smoke Detectors,Internal decoration of fire retardant paint to communal areas in tower blocks.</p> <p>Additional Programme works include:</p> <p>Major Works voids, Adaptations.</p> <p>Do we need to include Green deal/EWI Carillion arrangements?</p> <p>The proposed district programmes will be consulted upon with Landlord Services, Customers, (via Housing Liaison Boards) and Development and Joint Venture Officers.</p> <p><b>Page 683 of 788</b></p>
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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

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

## 2.3 Analysis on Initial Assessment

Document updated as part of process of reporting 2015/16 Capital Programme to Cabinet.

It is not anticipated that any aspects of this proposal will directly or indirectly contribute to inequality on the grounds of age, disability, gender, gender reassignment, race, religion or belief, sexual orientation, marriage and civil partnership, pregnancy and maternity or human rights.

However, there may be times when we are unable to meet our Customers additional non-standard requirements, due to the nature of the dwelling or the design or construction:

We usually offer Customers the choice on whether they require electrical cables to be chased in or hidden behind trunking. If a property is constructed from concrete then we have no choice but to use trunking. Therefore we cannot offer the Customer a choice.

Technical and all resource restrictions sometimes detract from our ability to deliver an exact product to Customers. Where technically possible we locate radiators where Customers require them.

Sometimes due to health and safety reasons or due to the property type we cannot install the radiators where the Customer requires them.

When providing a Secured by Design door the Customer chooses from a pre determined range of styles and colours. The standard specification meets most needs; however, sometimes we work outside of these constraints to meet any additional needs. Please note low level threshold is standard.

Ultimately our aim is to meet specific needs where possible and also accommodate individual requirements across all our programmes.

In conjunction with our team of Contract Works Officers we strive to meet the individual needs of our Customers by carrying our work scoping as part of the inspection programme.

Some Customers experience problems operating door and window handles. We can offer them handles that they can operate easily.

To aid communication:

We give Visually Impaired Customers the option of having Braille thermostat controls to assist them in operating their Central Heating.

We use large font and Braille scheme signage upgrades.

Language line a translation service.

To provide information for the Capital Investment Programme, Customer Liaison Officers and Operatives are instructed to report back any specific requirements identified on site which can help to improve BCC Customer profile knowledge.

Additional support:

In order to reduce the number of refusals by our vulnerable Customers, we assist them to prepare for works by offering to lift carpets and remove furniture. We also provide them with information sheets explaining the health benefits of having these work done.



storage facilities.

BCC will also offer walk in showers to the vulnerable who are residents of sheltered schemes and assess the needs of those who are also included on our Kitchen and Bathroom programmes.

### **3 Concluding Statement on Full Assessment**

Full assessment not required.

### **4 Review Date**

20/01/16

### **5 Action Plan**

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

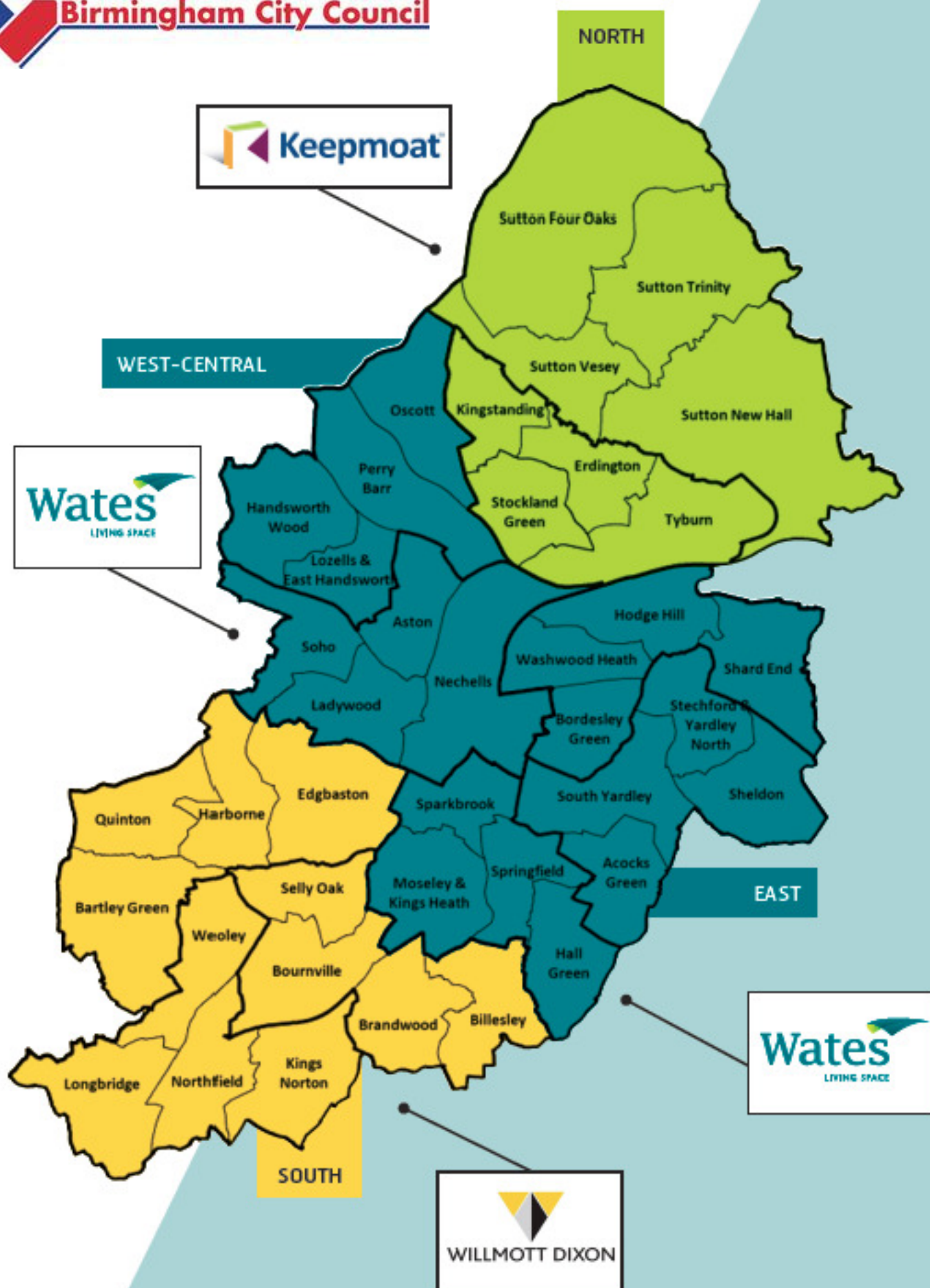
## Equality Act 2010

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) age</li> <li>(b) disability</li> <li>(c) gender reassignment</li> <li>(d) pregnancy and maternity</li> <li>(e) race</li> <li>(f) religion or belief</li> <li>(g) sex</li> <li>(h) sexual orientation</li> </ul>







<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>ASSISTANT DIRECTOR PROCUREMENT</b>
<b>Date of Decision:</b>	<b>16<sup>th</sup> FEBRUARY 2016</b>
<b>SUBJECT:</b>	<b>PLANNED PROCUREMENT ACTIVITIES (APRIL 2016 – JUNE 2016) AND QUARTERLY CONTRACT AWARD SCHEDULE (OCTOBER 2015 – DECEMBER 2015)</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>Cabinet Member, Commissioning, Contracting &amp; Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Waseem Zaffar, Corporate Resources</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 April 2016 – June 2016 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 April 2016 – June 2016 as detailed in Appendix 1.
2.2 Notes the contract award decisions made under Chief Officers delegation during the period October 2015 – December 2015 as detailed in Appendix 2.

<b>Lead Contact Officer (s):</b>	
<b>Telephone No:</b> <b>E-mail address:</b>	Nigel Kletz Corporate Procurement Services Economy 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 Overview & Scrutiny Committee and is the process for consulting with and taking soundings from relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Corporate Resources Overview & Scrutiny Committee 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**

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.

#### **4.2 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 19 July 2011 meeting of Council Business Management Committee changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £2.5m 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 Overview & Scrutiny Committee. It also informs members of the contracts awarded under Chief Officers delegation between the period October 2015 – December 2015.
- 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 £2.5m. This will give members visibility of all procurement activity and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the delegation threshold.
- 5.4 Individual contracts can be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Corporate Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 5.5 Procurements below £2.5m 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 £2.5m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.

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

- 6.1 The report approved by Council Business Management Committee on 19 July 2011 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 £2.5m, unless TUPE applies to current Council staff.
- 7.2 To inform Cabinet of contract award decisions made under Chief Officers delegation during the period October 2015 – December 2015 as detailed in Appendix 2.

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

Name of Officer: .....  
Nigel Kletz – Assistant Director (Procurement)

.....  
Councillor Stewart Stacey, Commissioning, Contracting & Improvement

**List of Background Documents used to compile this Report:****List of Appendices accompanying this Report (if any):**

1. Appendix 1 - Planned Procurement Activity April 2016 – June 2016
2. Appendix 2 – Quarterly Award Schedule October 2015 – December 2015

<b>Report Version</b>	1	<b>Dated</b>	29/01/2016
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**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (APRIL 2016 – JUNE 2016)**

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Commissioning, Contracting & Improvement Plus	Finance Officer	Contact Name	Planned CO Decision Date	Comments - including any request from Cabinet Members for more details	Living Wage apply Y / N
Strategy / Award	Books Supply & Associated Services	P0297	The purchase of books and audio visual media for Birmingham Library and Archive Services and other Community Libraries.	4 years	Economy	Skills, Learning and Culture	Jayne Bench	Lisa Haycock	04/04/2016		Y
Strategy / Award	Security for Events	F0240	The Council holds a number of events every year for which security and/or stewarding requirements need to be fulfilled.	3 years	Place	Skills, Learning and Culture	Paul Quinney	Lisa Haycock	28/03/2016		Y
Delegated Extension Award	Parks Catering Licences	F0164	(i) Licences to sell Ice Creams in various Parks (ii) Lease agreements to run the tea rooms at Bham Nature Centre & Banners Gate, Sutton Park.	(i) Mobile catering - 3 years & 5 months (ii) Tea rooms - 2 years & 9 months	Place	Sustainability	Simon Hunt	Andrea Webster	31/03/2016		Y

## Appendix 2 – Quarterly Contract Award Schedule (OCTOBER 2015 – DECEMBER 2015)

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Commissioning, Contracting & Improvement 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	Supply & Distribution of Fresh Fruit and Vegetables and Free Range Eggs	F251	Supply and distribution of fresh fruit and vegetables and free range eggs.	3 years plus 1 year option to extend	Economy	Deputy Leader	John Barr	Richard Tibbatts / Simon Gurney	Cabinet approved the Approval To Tender Strategy Report on <b>16/03/2015</b> and delegated the award to CO. Delegated Award Report signed <b>21/10/2015</b> .	Arthur Bretts Ltd	Nigl Kletz	02/11/2015
Delegated Extension Award	Provision of Cleaning Services for Temporary Accommodation and Communal Areas of Sheltered and Low Rise Accommodation	F0136	Cleaning Services for Temporary Accommodation and Communal areas of Sheltered and Low Rise Accommodation for 3 quadrants of the City. These quadrants are East, South and West & Central.	1 year, 1 month	People / Place	Neighbourhood Management & Homes and Commissioning	Guy Olivant	Jane Piovesana	Cabinet approved the Approval to Tender Strategy Report <b>10/12/2012</b> and delegated the award and extension to CO. Delegated Contract Award Report signed <b>19/09/2013</b> . Contract Extension signed <b>22/10/2015</b> .	1) Hi-Spec Facilities Services Plc 2) Superclean Services Wothorpe Limited	Jacqui Kennedy	01/12/2015
Delegated Contract Award	Specialist Support Services for the Childcare Sector 2015/16 (now called Extension of Six Specialist Services to Support Early Years and Out of School Sectors)	C0141	Provide targeted support to childcare organisations in Birmingham in order to raise and maintain the quality of Early Years and Out of School childcare provision, to ensure that childcare and early education provision is sufficient, affordable and of high quality to last until outcome of early years review is implemented.	1 year	People	Children's Services	Anil Nayyar	Tajinder Bharj	Presented to Cabinet for info 29/06/2015. Delegated Contract Report signed <b>23/10/2015</b> .	1) Birmingham Playcare Network - (Contract 1) 2) 4Children - (Contract 2) 3) National Day Nurseries Assoc - (Contract 4 & 5) 4) Birmingham Pre-School Learning Alliance (Contract 7) 5) Birmingham Community Healthcare NHS Trust - (Contract 8)	Peter Hay / Nigel Kletz	01/10/2015
Delegated Contract Award	Deliver Orientation, Accommodation and Support Services for Vulnerable Syrian Refugees	C0235	Service to deliver orientation, accommodation and support services for vulnerable syrian refugees.	3 years plus option to extend for a further 2 years	People	Health and Social Care	Peter Woodall	Parveen Mercer / Robert Cummins	Cabinet approved the Approval to Tender Strategy <b>20/10/2015</b> and delegated the award to CO. Delegated Contract Award Report signed <b>20/11/2015</b> .	Refugee Action	Peter Hay / Nigel Kletz	01/12/2015
Strategy / Award	Birmingham Gateway and Grand Central	TBC	Birmingham Gateway and Grand Central: Project Governance; Funding, Finance and Construction Monitoring and Control; Property Matters; Employment and Skills Outcomes.	18 months	Economy	Development, Transport and the Economy	Alison Jarrett	Philip Edwards / Charlie Short	Presented to Cabinet for info 27/07/2015. Strategy/Award Report signed <b>23/11/2015</b> .	Turner & Townsend Project Management Limited	Nigel Kletz / Paul Dransfield	01/12/2015
Delegated Contract Award	Miscellaneous Drainage Works and Footway Crossings (Light Duty)	TBC	Miscellaneous Drainage Works Framework Agreement works include flood defence, reservoir maintenance, watercourse improvement and maintenance and Footway Crossings works not part of the Highways Maintenance and Management PFI contract. During the 12 months an open tender will be held to establish a new framework agreement.	1 year	Economy	Development, Transport and the Economy	Paul Quinney	Mohammed Yahiah / Iqbal Sangha	Presented to Cabinet for info 29/06/2015. SCN signed <b>08/10/2015</b> . Delegated Contract Report signed <b>27/11/2015</b> .	<b>Footway Crossings (Light Duty):</b> 1) Keane Construction (Midlands) Ltd 2) J Dodd & Sons (Contractors) Ltd 3) RW Services Plant Hire Ltd 4) Erris (Builders) Ltd 5) Durolas (Contractors) Ltd  <b>Miscellaneous Drainage Works:</b> 1) Haystoun Construction Ltd 2) RW Services Plant Ltd 3) Erris (Builders) Ltd	Nigel Kletz / John Blakemore	30/11/2015
Delegated Contract Award	Arboriculture Services (Trees)	F131	The maintenance of trees on non-highway land. The Council's requirement for Arboriculture Services is wide ranging e.g. various tree pruning operations, tree felling etc. The negotiated framework agreements will be while a full options appraisal takes place.	15 months	Place	Sustainability	Paul Quinney	Andrea Webster	Presented to Cabinet for info 29/06/2015. SCN signed <b>17/11/2015</b> . Delegated Contract Report signed <b>30/11/2015</b> .	Blythe Valley Ltd (North & South Contract)	Jacqui Kennedy / Nigel Kletz	14/12/2015

Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Commissioning, Contracting & Improvement 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	Legal Entitlement Advice Services: Welfare Benefit & Debt Management (Phases 1,2 & 3)	C0140	Commission of partnership (of advice providers) and independent advice providers to deliver advice service relating to Welfare Benefits and Debt Management to the citizens of Birmingham.	2 years, plus 1 year option to extend	Place	Inclusion and Community Safety	Parmjeet Jassal	Aftab Inayat / Robert Cummins	Presented to Cabinet for info 22/09/2015. Approval to Tender Strategy (C0224) Report signed <b>22/10/2015</b> and delegated the award to CO. The extension element of Strategy Report (C0140) signed <b>22/10/2015</b> with the Delegated Contract Award signed <b>15/12/2015</b> .	1) Age Concern Birmingham 2) Birmingham Citizens Advice Bureaux 3) Birmingham Settlement 4) Castle Vale Tenants & Residents Alliance 5) Freshwinds 6) Cole Valley Advice Services	Ifor Jones / Nigel Kletz	01/01/2016
Delegated Extension Award	Joint Data Team Contract	P0187	Provides strategic planning and transportation planning data for the seven West Midland Metropolitan District Councils.	2 years	Economy	Deputy Leader	Simon Ansell	Andrea Webster	Presented to Cabinet for info 17/11/2015. Delegated Extension Award Report signed <b>16/12/2015</b> .	Mott McDonald Ltd	Paul Dransfield	01/04/2016
Delegated Contract Award	Independent Visitors Service	TBC	The provision of a high quality and effective Independent Visitors Service is a statutory duty under the Children Act 1989 and contributes to the strategic priority of protecting children from significant harm by providing children in care who do not have contact with their birth families with an adult to visit, advise and befriend them.	2 years plus 2 years option to extend	People	Children's Services	Denise Wilson	John Freeman	Presented to Cabinet for info 18/05/2015. Approval to Tender Strategy Report signed <b>25/08/2015</b> And delegated the award to CO. Delegated Contract Award Report signed <b>22/12/2015</b> .	The Children's Society	Nigel Kletz / Peter Hay	01/02/2016
Delegated Contract Award	Homelessness Prevention	P0286	Provide a range of specialist advice services aimed at meeting the housing and wider needs of persons who are homeless or at risk of homelessness.	2 years	People	Health and Social Care	Margaret Ashton-Gray	Lisa Haycock	Presented to Cabinet for info 15/09/2014. Approval to Tender Strategy Report signed <b>31/07/2015</b> and delegated the award to CO. Delegated Contract Award signed 22/12/2015. This award is for the first part of the services as presented to Cabinet on 15/9/2014. The award for the remaining services will be reported in the next Quarterly Award Schedule. C0237 yet to be awarded.	Theam Security Limited	Nigel Kletz / Peter Hay	01/01/2016
Delegated Contract Award	Pilot Early Help Delivery Model	TBC	To demonstrate that the right type of investment and the right type of service delivery in early help harnesses additional resources from partners, amplifies impact and reduces demand for high cost intensive and specialist services and improves outcomes for children (and their families).	17 months	People	Children's Services	David Waller	Rita Adams / Mike Smith	Presented to Cabinet for info 18/05/2015. SCN signed <b>23/10/2015</b> . Delegated Contract Award Report signed <b>22/12/2015</b> .	Malachi Community Trust	Nigel Kletz / Peter Hay	April 2015



**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>16 February 2016</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 Waseem Zaffar, Corporate Resources O &amp; S Committee</b>
<b>Wards affected:</b>	<b>City Wide</b>

<b>1. Purpose of report:</b>
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.

<b>2. Decision(s) recommended:</b>
That representatives be appointed 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

<b>3. Consultation</b>
<p>3.1 <u>Internal</u></p> <p>Councillor John Clancy, Leader of the Council.</p> <p>For appropriate items, the Secretaries to the Political Groups represented on the Council.</p> <p>3.2 <u>External</u></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 appointments are consistent with the legal and constitutional requirements of the City Council.</p> <p>4.2 <u>Financial Implications</u> <u>(Will decisions be carried out within existing finances and Resources?)</u></p> <p>There are no additional resource implications.</p> <p>4.3 <u>Legal Implications</u></p> <p>See paragraph 4.1.</p> <p>4.4 <u>Public Sector Equality Duty</u></p> <p>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.</p>



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

At the Annual General Meeting on 22 May, 2012, the City Council approved changes to the Constitution and Article 11 sets 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):**

Not applicable, as these appointments are a matter for the Cabinet to determine.

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

To approve the appointment of representatives to serve on Outside Bodies

**Signatures****Date**

Cabinet Member

.....

Chief Officer

.....

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

1. Report of the Council Business Management Committee to City Council on 24 May 2005 "Annual Review of the City Council's 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 16 February 2016 – Appointments to Outside Bodies



**APPENDIX TO REPORT TO CABINET 16 February 2016**  
**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. West Midlands Rail Ltd (W M R Ltd)**

To appoint Councillor John Clancy in his capacity as Leader of the Council, in place of Councillor Sir Albert Bore. This is a set appointment which was agreed at Cabinet on 17 November 2015.

**RECOMMENDED:-**

That Councillor John Clancy (Lab) be appointed to serve on West Midlands Rail Ltd.

**3. Yardley Educational Foundation**

Further to the discussion at the meeting on 26 January 2016, Mrs Penny Wagg has subsequently confirmed her wish to continue. Cabinet is asked to confirm its approval of this appointment.

**RECOMMENDED:-**

That Mrs Penny Wagg (Lib Dem) be re-appointed to serve on Yardley Educational Foundation for a period of three years until 30 January 2019.



<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b> <b>Date of Decision:</b>	<b>Strategic Director of Major Projects</b> <b>16 February 2016</b>
<b>SUBJECT:</b>	<b>MARKETING BIRMINGHAM SERVICE LEVEL AGREEMENT 2016-17</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001317/2016</b>
<b>If not in the Forward Plan:</b> <b>(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>Cllr Ian Ward – Deputy Leader</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Victoria Quinn – Economy, Skills and Sustainability</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To allow Marketing Birmingham to continue delivering services in 2016-17 under contract, to support inward investment, marketing of the city as a leisure and visitor destination and supporting the visitor economy.</p> <p>1.2 To advise Cabinet of work to be undertaken by Marketing Birmingham in 2016-17 to broaden the company's income base and to make changes to its governance, to create a new organisational model aligned to the West Midlands Combined Authority (WMCA).</p>

<b>2. Decision(s) recommended:</b>
<p>That the Cabinet:</p> <p>2.1 Authorises the Assistant Director (Culture &amp; Visitor Economy) to conclude negotiations with Marketing Birmingham to extend and vary the existing contract approved by Cabinet on 6th September 2010 in order to deliver the services set out in Appendix One, incurring expenditure of £2.039m in 2016-17.</p> <p>2.2 Notes the intention of the Marketing Birmingham Board to amend the company's articles and membership during 2016-17, in order to enable it to operate effectively to deliver services to the WMCA.</p> <p>2.3 Authorises the City Solicitor to negotiate, execute, complete and seal all necessary documents to give effect to the above recommendations.</p>

<b>Lead Contact Officer(s):</b>	Val Birchall, Assistant Director Culture & Visitor Economy
<b>Telephone No:</b> <b>E-mail address:</b>	0121 303 2919 val.birchall@birmingham.gov.uk
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<b>3. Consultation</b>	

### 3.1 Internal

The Cabinet Member for Development, Transport and the Economy and the Cabinet Member for Commissioning, Contracting and Improvement have been consulted on the proposals in this report and agree it should progress for decision. Senior officers in Corporate Communications, Regeneration and Culture & Visitor Economy have worked together to develop the Service Level Agreement. Senior officers in Legal Services and Corporate Resources have been involved in developing the governance proposals.

### 3.2 External

The Board of Marketing Birmingham, including the Council's nominated directors Cllr Sir Albert Bore and Cllr Timothy Huxtable, has been engaged in developing the proposals relevant to this report and Marketing Birmingham's Chief Executive has consulted the WMCA Leadership in discussions concerning the future role and governance of the company.

## 4. **Compliance Issues:**

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

The services outlined in Appendix One will assist in delivery of the inward investment strategy, the visitor economy strategy and business growth and deliver the requirements of the service review in 2015 to diversify the company's income base through attracting funds from other local authorities and private business. These services contribute to the Council's priority of economic growth and jobs. The work proposed to make changes to the company's structure and governance will facilitate future working at a West Midlands Combined Authority level.

### 4.2 Financial Implications

The recommendations in this report will be fully funded from the Council's approved revenue resources for this purpose contained within the Council Business Plan and Budget 2016+ of £2.039m. This is a reduction of £0.170m against last year's budget, which was approved in the Council's Business Plan and Budget 2015+. The Service Level Agreement sets out the basis of the allocation of the budget against the delivery of services in the three service areas of Inward Investment, Location Marketing and Support for the Visitor Economy (shown in the table below and set out in more detail in Appendix 1), as well as the funds allocated to supporting the diversification of Marketing Birmingham's income base. £0.664m of the funding has been used to match a bid to the European Regional Development Fund, which was approved by Cabinet on 8 December 2015.

	£000
Inward Investment (includes ERDF match of £0.664m)	879
Location Marketing	400
Visitor Economy	622
Organisational Change	138
Total Budget	<u>2,039</u>

### 4.3 Legal Implications

Under the general power of competence per Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report which also are within the boundaries and limits of the general power of competence Section 2 and 4 of the Localism Act 2011.

Under Regulation 72 of the Public Procurement Regulation 2015 the Council may vary the contract to extend its term provided such variation does not change the economic balance of the contract in favour of the contractor and does not extend the scope of the contract considerably.

The existing three year contract with Marketing Birmingham was extended to provide services to the Council in 2015-16. A further extension will enable Marketing Birmingham to make a managed transition to a new model of company governance in preparation for delivering services for the WMCA from April 2017.

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

An initial Equality Assessment (EA000502) has been undertaken and is attached to this report. There are no identified risks to equality from the proposals in this report.

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

- 5.1 Marketing Birmingham (and its predecessor organisation) was established in 1982 and is a not-for-profit organisation, a partnership between the private and public sectors. Birmingham City Council has always been its major stakeholder and continues to own 49% of the company, and to be its major funder.
- 5.2 On 6th September 2010, Cabinet approved a contract and Service Level Agreement with Marketing Birmingham for the period 2010-15. This included the requirement to deliver inward investment services and provide support for the visitor economy, as well as attracting events and conferences to the city.
- 5.3 In 2013-14, the Council reviewed the service and concluded that a clear focus on four areas (visitor economy, inward investment, the Birmingham business hub and strategic marketing of the city) would improve the service and removed the requirement to attract events. Cabinet agreed on 28th April 2014 a refocused Service Level and fee. In 2014-15, a further review and proposed reduction in planned resources, was undertaken and the contract was extended for a year, with the expectation that joint working with neighbouring authorities would be established during 2015-16, giving rise to a new "Joint Economic Unit".
- 5.4 Work to develop the delivery model for the West Midlands Combined Authority (WMCA) is on-going, with an expectation that the WMCA will be operational by April 2017. It is likely that some of the services currently provided to the Council through the Marketing Birmingham contract will, in future, be integrated into this arrangement. These developments will require an alteration to the articles and membership of the Marketing Birmingham Board which currently reflect the City Council's 49% ownership.

- 5.5 During 2016-17, Marketing Birmingham will continue to provide the services set out in Appendix One and the new Service Level Agreement establishes clearly the resources which are currently allocated to inward investment, location marketing and support for the visitor economy. In 2016-17, the agreement also includes a one-off allocation of resources for organisational change. It is intended that 2016-17 will be the final amendment to the existing contract and new arrangements will be in place before the start of the 2017-18 financial year.

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

- 6.1 To undertake a competitive procurement process – this would not be an effective use of the Council's funding on the basis that this is a transition period before the WMCA can be established and funding and demand for these services can be identified.

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

- 7.1 To provide services to support economic growth through inward investment and the visitor economy, and to promote Birmingham as a location for business and leisure tourism.
- 7.2 To enable Marketing Birmingham to undergo organisational change to facilitate future working at a Combined Authority level.

**Signatures**

**Date**

Deputy Leader, Cllr Ian Ward .....

Strategic Director of Major Projects, Paul Dransfield .....

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

Marketing Birmingham Service Schedule 2015-16: Cabinet Report dated 16<sup>th</sup> March 2015  
Marketing Birmingham Investing In Greater Birmingham Project: Cabinet report 8<sup>th</sup> December 2015

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

1. Service Level Agreement 2016-17
2. EA Ref 000502



## **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) age</li> <li>(b) disability</li> <li>(c) gender reassignment</li> <li>(d) pregnancy and maternity</li> <li>(e) race</li> <li>(f) religion or belief</li> <li>(g) sex</li> <li>(h) sexual orientation</li> </ul>

## Summary

1. Marketing Birmingham will provide services to Birmingham City Council under this Agreement within three defined areas of delivery:
  - i. Inward Investment:
    - a. Delivery of activity as part of the ERDF Investing in Greater Birmingham project
    - b. Delivery of non ERDF activity
  - ii. Location Marketing
  - iii. Visitor Economy
2. Marketing Birmingham will also undertake organisational change to implement changes a governance structure to enable it to broaden its client base and attract contracts from a wider range of public and private sector commissioners, provided that such work does not conflict with the obligations of this agreement. Marketing Birmingham will increase its income from non-Birmingham City Council sources including from other Local Authorities and the West Midlands Combined Authority, Business Subscription Services, Public and Private Sector Contracts.
3. Marketing Birmingham will ensure that the services within this agreement will complement, and not duplicate work, which is included in the contracts for the
  - Enterprise Zone
  - ERDF - Advanced Manufacturing Supply Chain - Developing the Innovation Ecosystem
  - Plus any other additional projects that are awarded to Marketing Birmingham during the contract period

## Fee and Payment Schedule

4. The fee for this agreement is £2.039m which will be paid on receipt of invoices as set out in (5), (6) and (7) below.
5. Marketing Birmingham will provide a summary of monthly income and expenditure and an up to date monthly cashflow forecast covering the next twelve month period with each invoice, together with a summary of outputs delivered to date with a commentary on any variances against projections greater than 10%.
6. Birmingham City Council's Contract Management Group will meet quarterly to review the delivery of outputs specified under this agreement and provided that these are being delivered to the reasonable satisfaction of the Contract Manager, 95% of the fee will be paid by monthly instalment in each of twelve months.
7. 5% of the fee will be retained until the 1<sup>st</sup> May 2017 or receipt of all required monitoring and reporting information relating to the performance of this contract to the satisfaction of the Contract Manager.

Marketing Birmingham will provide all information to Birmingham City Council in formats which can be used and shared with its key stakeholders.

The basis of the calculation of the costs of the services is broken down below.

Table 1 Budget Summary

	Staff Time	Direct Delivery Cost	Total
<b>INCOME</b>			
<b>SLA Value</b>			<b>2,039,000</b>
ERDF provision			664,000
<b>SUB - TOTAL</b>			<b>1,375,000</b>
<b>EXPENDITURE</b>			
Inward Investment	131,000	106,500	237,500*
Location Marketing	222,000	178,000	400,000
Visitor Economy	333,000	267,000	600,000
Organisational Change	97,500	40,000	137,500
<b>TOTAL</b>	<b>783,500</b>	<b>591,500</b>	<b>1,375,000</b>

\* The total anticipated spend by Marketing Birmingham on Inward Investment in 2016-17 comprises:

SLA	£ 215,348
EZ	£141,653
ERDF	<u>£1,328,000</u> (£664k from the SLA matched with £664k from ERDF)
Total	£1,685,001

### **Contract Management**

The supplier will ensure that all plans (strategic and tactical) will be signed off by the designated contract management lead(s).

As part of this approach, sub-items requiring further sign off will be identified and a process will be established to enable sign off and completion.

A timing plan will be developed to ensure effective and efficient delivery, however the supplier will not be held liable for any project variants/delays resulting from missed deadlines by the client.

The supplier will provide all information to the City Council in formats which can be used and shared with its key stakeholders.

The projected outputs are broken down and profiled below.

Table 2 Output Summary

Inward Investment	Baseline 2015	Q1	Q2	Q3	Q4	Annual Target	Year End Actual
Inward investment opportunities	90	30	30	15	15	90	
UKTI Engagement Plan inc. targeting of specific posts	Agree comms plan with UKTI						
Advanced Engineering lead generation: no. of events attended	Representation directly/ indirectly – trade show/ industry conference	3	2	3	2	10	
Development of digital channels – enquiry handling/ generation	(Cross reference with Location Marketing)						
<b>Investor Development Programme</b>							
Investment Sales missions (non SME elements)	4	1	1	1	1	4	
Completed projects (large FDI & UK owned and UK SMEs)	190 prospects 78 projects					20	
New jobs from completed projects (FDI and UK owned)	1900					2000	
<b>Direct channels</b>							
Digital – unique visitors to digital platforms	62k	15k	15k	16k	16k	75k	
Downloads – sales brochures	200	+50	+50	+100	+50	250	
Social networks – reach	45 million	15 million	25 million	35 million	50 million	50 million	
Social networks –klout average	55					57	
Database – subscriber growth	500	+35	+40	+40	+35	650	

2016/17 SLA between Birmingham City Council (Client) and Marketing Birmingham Ltd (Supplier)  
Schedule 1

Database – click to open rate <a href="#">average</a>	350					380	
Enquires – from digital sources	250	+85	+75	+90	+80	320	

Location Marketing	Baseline	Q1	Q2	Q2	Q4	Annual Target	Year End Actual
Media – value	£10m	£2m	£2m	£2.5m	£3.5m	£10m	
Media – volume	1,200	240	240	300	420	1,200	
Media – circulation	100 million	20m	20m	25m	35m	100 million	
Media – sentiment	90% positive/neutral	N/A	N/A	N/A	N/A	90% positive/neutral	

Visitor Economy	Baseline	Q1	Q2	Q2	Q4	Annual Target	Year End Actual
Annual Perception survey	6 <sup>th</sup>	N/A	N/A	N/A	N/A	6th	
Visitor nos. (STEAM)	34.76m	N/A	N/A	N/A	N/A	36.88m	
Value of leisure tourism (STEAM)	£5.98bn	N/A	N/A	N/A	N/A	£6.04bn	
Overseas visitors (BHX)	4,245,909	N/A	N/A	N/A	N/A		
International events (ICCA) world ranking	122	N/A	N/A	N/A	N/A	118	
Hotel Occupancy (STA Global)	72%	73%	73%	76%	78%	75%	
Value of Business Visits and Events	£13m	N/A	N/A	N/A	N/A	£16m	
Britain business Visits and Events ranking (BMIES)	2 <sup>nd</sup>	N/A	N/A	N/A	N/A	2 <sup>nd</sup>	
<b>Direct channels</b>							
Leads generated (ICCA)	11	N/A	N/A	N/A	N/A	15	

conferences)							
Digital channels – unique visitors	1,676,462	20,000	20,000	22,000	21,823	+5% 1,760,285	
Downloads – visitor maps and itineraries	56,929	1,200	1,200	1,646	1,647	10% 62,622	
Social networks – followers and Klout	Followers - 94,897  Klout –above 60	2,000	2,000	2,745	2,745	Increase followers by 10% to 104,387 Klout – maintain above 60	
Database – subscriber growth	25,337	250	250	383	384	+5% 26,604	
Database – click to open rate	Currently 20%	20%	20%	20%	20%	Maintain at 20%	

**i(a). ERDF Delivery of Inward Investment (£664,000)**

The Supplier will deliver this service via the Investing in Greater Birmingham ERDF Project.

The services to be provided is set-out in the ERDF full application (Appendix II) which outlines the services and activity budget over the lifetime of the ERDF Project.

The Investing in Greater Birmingham ERDF Project will achieve the following outcomes for Greater Birmingham:

<b>ERDF Priority 3 Targets</b>
C1 Number of enterprises receiving support: 45
C5 Number of enterprises supported: 45
C8 Employment increase in supported enterprises: 216
Secure £20 million Inward Investment: £900,000
Indirect Jobs Created: 1,632

**i(b). (Non-ERDF) Delivery of Inward Investment (£237,500)**

The Supplier will work with the teams in the Council's Economy Directorate (including the Corporate Communications service) to align messaging around collateral, showcase key development sites and master-plans, and develop strategies for attracting occupiers to the City including the Economic Zones, Enterprise Zone and opportunities for the growth of HS2 supply chain area.

The Supplier will develop and deliver marketing to key sub-sectors and notably targeted sub-sector lead generation activity in the Advanced Engineering sector. Development of a tech and digital media sector attraction strategy will enhance co-ordinated efforts to secure investment from this sector. The Supplier will utilise sales missions in priority markets, attending and exhibiting at major international events and trade shows. It will deliver an Investor Development programme supporting growth of existing strategic employers in Birmingham from key sectors such as Business Professional and Financial Services.

The Supplier will perform the following activities in addition to those set-out in 1(a) above.

Service
Manage delivery of inward investment strategy, providing a pipeline of non-ERDF inward investment opportunities including those from FDI and UK large companies and UK SMEs
Develop the relationship with UKTI and education of key posts overseas to generate incremental growth in FDI pipeline
Advanced Engineering inward investment lead generation activity providing credible investment opportunities in target sub-sectors (automotive, aerospace, rail (HS2) and environmental technology)
Deliver an investor development programme – account management of strategic companies in Birmingham supporting investment expansion projects (FDI and UK owned)
Non-SME focused sales mission and activity in key geographic markets to support FDI lead generation from large companies
Develop Tech and Digital media strategy and proposition to attract both new FDI and UK investment, and support existing investors expand
Marketing Birmingham will work with the Council's Economy Directorate to sense-check and align messaging around collateral, showcase key development sites and masterplan and develop strategies for attracting occupiers to the council's area, including the Economic Zones.
Delivery baseline digital marketing platforms, channels and contact programmes to profile Birmingham as an investment location across domestic/international markets in order generate investment leads and increase conversion rates

Activity
UKTI engagement plan to include: <ul style="list-style-type: none"> <li>- development of UKTI Project Matchmaker with specific overseas posts</li> <li>- targeted communication of value proposition and relationship building with posts covering key target markets and sectors</li> <li>- the undertaking of 5 'Birmingham offer' induction sessions for UKTI staff working in Marketing Birmingham's key markets and sectors per year</li> </ul>
Advanced Engineering inward investment lead generation activity to include: <ul style="list-style-type: none"> <li>- targeted trade show participation in key markets – overseas and UK</li> <li>- targeted industry conferences</li> </ul>
Investor development account management and engagement programme (FDI and UK owned) <ul style="list-style-type: none"> <li>- Identifying, engaging with and supporting expansion projects with major Birmingham employers</li> </ul>
Conduct sales missions in priority markets <ul style="list-style-type: none"> <li>- attending and exhibiting at major international events focussed on attracting larger businesses</li> <li>- pre-qualified company meeting programmes</li> </ul>



<p>Optimise investment messaging</p> <ul style="list-style-type: none"> <li>- Marketing Birmingham will allocate 15 days per year to support the Council's masterplans</li> <li>- All messaging to have explicit sign-off from BCC Corporate Comms</li> </ul>
<p>Supporting/cross-cutting activity</p> <ul style="list-style-type: none"> <li>- Marketing Birmingham will maintain a register of enquiries. Action taken and whether the business was attracted/ supported in expansion and what the jobs achieved would be.</li> </ul>
<p>Digital marketing channels</p> <ul style="list-style-type: none"> <li>- manage channels profiling the city's offer to inward investors</li> <li>- to support and capture new investment leads and enquiries monitoring/ reporting on effectiveness</li> </ul>

Outcomes
Manage delivery of inward investment strategy, providing 15 credible inward investment opportunities
<p>Growth of the Inward investment project pipeline (large companies and SME's)</p> <ul style="list-style-type: none"> <li>- Of which 16% in advanced engineering project pipeline</li> <li>- Of which 16% in digital and tech project pipeline</li> </ul>
15 completed projects (FDI and UK owned) from large companies and UK SMEs
72 new jobs from completed projects (FDI and UK owned)

## **ii. Location Marketing (£400,000)**

Marketing Birmingham will lead (supported by BCC) on the development of a brand building programme for the City of Birmingham. The objective of this work is to position the city as a great place to visit and invest in (it will need to support and inform the activity in the Inward investment and Visitor economy programmes). The brand building programme should align with the emerging vision for the city and should have buy in from other key partners around the city – metaphorically and (ideally) financially. In the long term the programme will be seen to have made a positive difference to the perception of Birmingham.

Service
<p>To develop an overarching brand-enhancing programme for the City of Birmingham that aligns to GBSLEP competitive positioning project, The programme should have buy in from key BCC stakeholders and other partners from around the city.</p> <p>The target timeframe for establishing a delivering a plan is set for the first quarter of FY16/17.</p>

Activity
----------

To create a brand programme that establishes the current perceptions of the city (as a place to invest and visit) and outlines the area's key brand challenges. The plan should also offer a long term view of the activities we need to take to improve these perceptions.

- The programme will involve a series of sub campaigns and/or other brand enhancing activity that will be agreed with BCC and other partners
- Within this programme of activity MB will actively promote the enabling role of BCC.

To deliver media communications service that profiles Birmingham as a place to invest, visit, study and live

To work with BCC contract leads to engage with internal and external stakeholder and provide brand enabling tools to support holistic representation of the area across owned and earned marketing and communications channels

### Outcomes

A brand plan that primarily focuses on 12 month tactics and activation. However it would include an overarching roadmap for a further 2-5 years period.

To generate media profile across consumer, business and trade channels that will support with external profile raising objectives

To develop communication resources to support with engagement and dissemination of messaging/information (to be determined in the Location Marketing plan – to be established in FYQ1)

### **iii. Visitor Economy (£600,000)**

Marketing Birmingham will deliver Birmingham's Destination Management Plan (DMP) which will be agreed between the Client and the Supplier prior to 1<sup>st</sup> April 2016. In finalizing the DMP the outputs in table 2 may change by mutual agreement.

Table 3 – Visitor Economy Budget breakdown:

	Staff time	Expenditure
Staff resources – leisure and business tourism	£333,000	
Research - insight and monitoring		£53,000
Underpinning work - destination development		£10,000
Going local / Global: Visitor economy digital provision and infrastructure		£25,000
Doing Business - sales development and attendance at national and international trade shows		£30,000
Going Global - travel trade		£30,000
Going Global - consumer campaigning		£94,000
Cultural showcase - media partnership		£25,000
<b>Sub-total</b>	<b>£333,000</b>	<b>£267,000</b>

### 3.1 City Communications and Marketing

International Marketing will grow the market share of inbound visitors (both consumer and business) increasing the region's and country's tourism export value. An increase in inbound visitor volume and value, through opening and developing routes to market and developing trading links to enhance visitor propensity will deliver the highest ratio of economic return to investment.

The SLA Destination Delivery Plan will focus on two growth areas to secure the maximum level of economic impact:

**i. Leisure Tourism**

Birmingham has significant under-utilised capacity and untapped potential within the visitor economy. Making additional resources available to exploit this will contribute to growth generation, job creation opportunities and closing the productivity gap across the Midlands.

**ii. Business Visits and Events**

The aim of developing the region's business tourism portfolio and maximising the potential of the region's key assets will ensure that the city remains competitive in domestic and international business markets.

### 3.2 Underpinning activity

**i. Research**

The Supplier will commission specialist research notably to establish impact measures relating to the visitor economy and the key objectives of the Destination Management Plan.

Table 4 Indicative cost for visitor economy research projects

Research project	Indicative cost plus VAT
STEAM (economic impact)	£10,000
Visitor Survey	£12,000
Hotel market data	£13,000
Annual perceptions survey	£8,000
Business tourism research	£10,000
<b>Total</b>	<b>£53,000</b>

**ii. Destination Management**

In order to offer a destination which competes with national and international competitor cities to offer a warm welcome and excellent visitor experience, the Supplier will provide a Destination Management Function for the Council, taking a leading role in the management and development of business and leisure tourism and supporting the implementation of the GB&BC Visitor Economy Strategy for Birmingham.

### **4. Organisational Change (£137,500)**

Marketing Birmingham will develop an updated governance and organisation structure that will enable MB to work with a wider array of clients across the West Midlands leading to decreased reliance upon the revenue received from BCC. The costs of the necessary specialist advice will be met through this agreement on the understanding that these are one-off costs to the organisation. A programme of business development will be delivered by client facing team members and the management team at Marketing Birmingham with the target of securing additional revenue contracts with public and private organisations. MB will seek to establish SLAs with Local Authorities across the West Midlands and with the West Midlands Combined Authority once it has been formally established. Business Development will also include the attendance of the Management team at various Board meetings that will be used to raise the profile of the business and provide opportunities for expanding clients and projects.

#### 4.1 City Economic Narrative Data

A range of data and intelligence will be sourced and analysed by the Regional Observatory to inform the delivery of the SLA and evaluate progress. Full use will be made of official Government and other published sources. The tables below set out the data which will be drawn upon for the City Economic Narrative, which in turn supports the Visitor Economy and Inward Investment programmes.

It is envisaged that in 2017/18 and beyond that the cost of gathering the data and intelligence to inform the Economic Narrative Data will be met by the West Midlands Combined Authority, LEP's and the Midland Engine.

Table 5 – Data and shared by MB originated by various official sources

Indicator	Source	Frequency
Nominal GVA	ONS Regional Accounts	Annual
FDI projects and jobs	Regional Observatory	Annual
Business births and deaths	ONS Business Demography	Annual
International trade	HMRC Regional Trade Statistics	Quarterly
Average house prices	Land Registry	Monthly
Inbound international passengers at Birmingham Airport	Civil Aviation Authority	Monthly
Employment	ONS Business Register and Employment Survey	Annual
Median gross annual pay	ONS Annual Survey of Hours and Earnings	Annual
Employment rate	ONS Annual Population Survey	Quarterly

ILO <sup>1</sup> unemployment rate		
Economic activity rate		
ILO unemployment rate for 18-24 year olds		
Proportion of pupils achieving at least 5 GCSEs at A*-C including English and Maths	Department for Education	Annual
Number of graduates and undergraduates studying key subjects <sup>2</sup>	Higher Education Statistics Authority	Annual
Proportion of the working age population qualified to degree level or above	ONS Annual Population Survey	Quarterly

Table 6 below outlines the meetings Marketing Birmingham staff currently attend in delivering the SLA, this list may change during the period of the SLA to ensure its smooth delivery.

Table 6 - MB Management Team meetings attendance

	Ongoing Management	Projects
<b>Birmingham</b> <ul style="list-style-type: none"> <li>Major Events Board;</li> <li>Festivals Unit Steering Group</li> <li>Contract Management Group (SLA);</li> <li>Cultural Partnership;</li> <li>Birmingham VES/DMP Deliver Group</li> <li>Investing in Greater Birmingham ERDF Steering Group</li> </ul>	✓ ✓ ✓ ✓ ✓ ✓	
<b>GBSLEP</b> <ul style="list-style-type: none"> <li>VES Delivery Group</li> <li>Growth Hub</li> <li>GBSLEP Competitive</li> </ul>		✓ ✓ ✓

<sup>1</sup> Definition of the International Labour Organisation - people without a job, wanting a job who have actively sought work in the last 4 weeks and are available to start work in the next 2 weeks. Differs from the Claimant Count which refers only to those claiming Job Seekers Allowance

<sup>2</sup> Key subject areas - science, maths, ICT, engineering, technology, law, and languages, creative disciplines (music, visual art, craft, design, architecture, dance, drama, marketing)

<ul style="list-style-type: none"> <li>Positioning</li> <li>▪ Optimising Assets Sub-Group</li> </ul>	√	
<b>Midland Engine</b> <ul style="list-style-type: none"> <li>• Promotions Group <ul style="list-style-type: none"> <li>○ Visitor Economy</li> <li>○ Inward Investment</li> </ul> </li> </ul>	√ √	
<b>Client Meeting</b> <ul style="list-style-type: none"> <li>▪ Finance Birmingham</li> <li>▪ ESIF – Technical Assistance Team</li> <li>▪ GBSLEP Marcomms</li> <li>▪ GBSLEP Growth Hub Marcomms</li> <li>▪ EZ <ul style="list-style-type: none"> <li>○ Relocation Services</li> <li>○ Sector Sales Programme</li> </ul> </li> </ul>	√	√  √ √  √ √

# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Marketing Birmingham Service Level Agreement 2016-17
<b>Directorate</b>	Economy
<b>Service Area</b>	Culture & The Visitor Economy
<b>Type</b>	Reviewed Function
<b>EA Summary</b>	We are proposing to refocus the Service Level Agreement we have with Marketing Birmingham in order to establish services, support inward investment, marketing of the city as a leisure and visitor detination and supporting the visitor economy. We will address savings targets by broadening Marketing Birmingham's income base and making changes to its governance in order to create a new organisational model aligned to the West Midlands Combined Authority (WMCA).
<b>Reference Number</b>	EA001140
<b>Task Group Manager</b>	caroline.alexander@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Date Approved</b>	2016-02-12 00:00:00 +0000
<b>Senior Officer</b>	val.birchall@birmingham.gov.uk
<b>Quality Control Officer</b>	caroline.alexander@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 Reviewed Function.

## 2 Overall Purpose

### 2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	<p>Marketing Birmingham is a partnership between the public and private sector and its purpose is to deliver inward investment services, marketing of the city as a leisure and visitor destination and to support the visitor economy.</p> <p>The Service Level Agreement for 2016-17 will address savings targets by broadening Marketing Birmingham's income base and making changes to its governance in order to create a new organisational model aligned to the West Midlands Combined Authority (WMCA).</p>
---	---

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

### 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?	No

### 2.3 Analysis on Initial Assessment

Based on the information provided a full assessment will not be required as the proposal is considered to carry no significant risk to equalities.

We are working with Marketing Birmingham and the private sector, alongside public sector partners, to develop a new approach to generating income for supporting the visitor economy.

It is the intention of Marketing Birmingham to alter the company's articles and membership during 2016-17, in order to enable it to operate effectively to deliver services to the WMCA.

Please also refer to previous EAs EA000139 and EA000502 in relation to previous years of this function.



### **3 Concluding Statement on Full Assessment**

Based on the information provided a full assessment will not be required as the proposal is considered to carry no significant risk to equalities.

We are working with Marketing Birmingham and the private sector, alongside public sector partners, to develop a new approach to generating income for supporting the visitor economy.

It is the intention of Marketing Birmingham to alter the company's articles and membership during 2016-17, in order to enable it to operate effectively to deliver services to the WMCA.

This will be reviewed again within the next twelve months.

### **4 Review Date**

31/12/16

### **5 Action Plan**

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



**PUBLIC OR PRIVATE REPORT**  
(not for publication)

Report to	CABINET	
Report of: Date of Decision:	Strategic Director of Major Projects 16/02/16	
SUBJECT:	MARKETING BIRMINGHAM SERVICE LEVEL AGREEMENT 2016-17	
Key Decision: Yes / No	Relevant Forward Plan Ref: 001317/2016	
If not in the Forward Plan: (please "X" box)	Chief Executive approved <input type="checkbox"/>	
	O&S Chairman approved <input type="checkbox"/>	
Relevant Cabinet Member(s):	Cllr Ian Ward – Deputy Leader	
Relevant O&S Chairman:	Cllr Victoria Quinn – Economy, Skills and Sustainability	
Wards affected:	All	

<b>LATE REPORT</b>
<p><b>* To be completed for all late reports, ie. which cannot be despatched with the agenda papers ie. 5 clear working days notice before meeting.</b></p> <p><b>Reasons for Lateness</b> Additional time required to ensure consultation was concluded effectively, including with the Board of Marketing Birmingham</p> <p><b>Reasons for Urgency</b> To allow proper time for implementation in advance of the new financial year</p>



**BIRMINGHAM CITY COUNCIL**

**PUBLIC REPORT**

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director for People</b>
<b>Date of Decision:</b>	<b>16<sup>th</sup> February 2016</b>
<b>SUBJECT:</b>	<b>LIVING WAGE UPDATE</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001343</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 Paulette Hamilton - Health and Social Care</b> <b>Cllr Brigid Jones – Children’s Services</b> <b>Cllr Stewart Stacey - Commissioning, Contracting &amp; Improvement</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Majid Mahmood – Health and Social Care</b> <b>Cllr Susan Barnett – Education and Vulnerable Children</b> <b>Cllr Waseem Zaffar - Corporate Resources</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 This report details the introduction of the Birmingham Care Wage from April 2016.</p> <p>1.2 Also on this agenda are related reports: “Draft Council Business Plan &amp; Budget 2016+” and “Framework Agreement Extension for Home Support and Residential Care (C0074)”.</p>

<b>2. Decision(s) recommended:</b>
<p>That Cabinet:</p> <p>2.1 Agrees the introduction of the Birmingham Care Wage at £7.50 per hour from April 2016 for staff providing adults’ services and children’s home support financed by the Council, subject to budget approval at Council on 1<sup>st</sup> March 2016.</p>

<b>Lead Contact Officer(s):</b>	Charles Ashton-Gray
<b>Telephone No:</b>	Service Lead – Commissioning Centre of Excellence 0121 464 7461
<b>Email:</b>	<a href="mailto:Charles.Ashton-Gray@birmingham.gov.uk">Charles.Ashton-Gray@birmingham.gov.uk</a>

### **3. Consultation**

#### **3.1 Internal**

Legal & Democratic Services, City Finance and the Directorate for People Management Team have been involved in the preparation of this report.

#### **3.2 External**

Feedback from Home Support and bed based providers regarding the introduction of the National Living Wage from 1<sup>st</sup> April 2016 has been captured from a number of sources, including events on 24<sup>th</sup> November, 16<sup>th</sup> December 2015 and 8<sup>th</sup> January 2016.

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

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

The proposals are consistent with the Council's Business Plan 2016+ and the Leader's Policy Statement to Council on 9<sup>th</sup> June 2015 which set out the Council's key priorities, including "A Fair City: Health and Wellbeing."

#### **4.2 Financial Implications**

A sum of £7.8m has been identified within the draft 2016/17+ budget which will fund enhanced contract rates across adult social care from April 2016. This is subject to final approval by Council on 1<sup>st</sup> March 2016. The Council expects to be able to have sufficient funding to allow social care providers to pay an hourly rate of at least £7.50 per hour from April 2016, an increase of 11.9% for those over 21 year olds on the National Minimum Wage of £6.70.

Fee rates to providers will be adjusted appropriately to reflect these additional costs. Any underlying pressures for fee uplifts above this will need to be contained from within the Directorate's overall Budgets. The Council's budgetary provision increases over future years to ensure that providers can afford to pay the Birmingham Living Wage by 2018/19.

#### **4.3 Legal Implications**

Under section 8 of the Care Act 2014, a local authority can discharge its duty to meet assessed eligible need for care and support under sections 18 to 20 of the Act, by providing care and support at home or in the community or goods or facilities and the local authority can provide these by arranging for them to be provided by another person or body other than the Local Authority.

#### **4.4 Public Sector Equality Duty**

An Equality Assessment (EA) has been carried out in February 2016. At this time potential adverse impacts have been identified for self-funders and full fee payers (**see Appendix 1**).

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

- 5.1 The Cabinet agreed to pay the Birmingham Living Wage to its directly employed staff from July 2012. In November 2012 the Council obtained Living Wage Employer accreditation when it committed to work towards the adoption of the Living Wage within its supply chain.
- 5.2 The Council's Living Wage Policy for Birmingham was approved by Cabinet on 22<sup>nd</sup> April 2013. Subsequently in April 2014, the Living Wage was applied to all contracted agency staff.
- 5.3 The achievement of the Birmingham Living Wage outside the Council is through the Birmingham Business Charter for Social Responsibility (BBC4SR). All commissioning and contracting decisions now take account of the principles of the Charter and its adoption forms part of the terms of new Council contracts and conditions of grant aid. As at 31<sup>st</sup> January 2016, over 600 employees of contractors/service providers/consultants have now had their pay increased to the Birmingham Living Wage as a result of their organisations becoming accredited to the BBC4SR. From 1<sup>st</sup> April 2016, the Birmingham Living Wage is £8.25 per hour for all workers aged 18 years and over.
- 5.4 When the Living Wage Policy was approved it was understood that social care was an area where other local authorities had found applying the Living Wage hardest to achieve and so Social Care contracts were approved as being outside the scope of the UK Living Wage Employer Accreditation Licence and the Council's Policy.
- 5.5 However, it has always been the Council's ambition to bring care staff working on Council contracts within the Policy. As a result of decisions proposed within the budget, a sum of money has been identified – subject to approval by full Council on 1<sup>st</sup> March 2016 – to increase care workers' hourly rates from £5.30 (for those aged 18-20 years) and £6.70 (for those aged over 21 years) to a Birmingham Care Wage rate of £7.50 from April 2016, with a view of increasing this to the Birmingham Living Wage rate as at April 2018.
- The Birmingham Care Wage will be reviewed in twelve months' time for the 2017/18 financial year
- 5.6 The application of the Birmingham Care Wage for Early Years' provision will be dependent on the outcome of the Early Years' review and the recently announced Government review of Early Years' funding. Therefore this report recommends its introduction for adults' services and children's home support from April 2016
- 5.7 The Living Wage Policy accepted that the UK's current social care industry was wholly predicated on a low-pay business model and therefore this opportunity is aimed at boosting productivity, improving the quality of work and has been seen to reduce sickness and aid staff retention. Like the Birmingham Living Wage, the introduction of the Birmingham Care Wage will also help individuals and families, and will boost the overall wellbeing of Birmingham's citizens by putting more money into those people's pockets which will help local shops and businesses, creating a virtuous spiral that can treble its value to the local economy.

- 5.8 The Birmingham Care Wage will be introduced into existing payment schedules at the earliest practicable date in April 2016. It will be paid following the acceptance of revised contract terms and conditions by service providers and/or contract variation as required. These provisions will require an undertaking to increase hourly rates as funded by the increases in contract rates which will be published shortly.
- 5.9 Paying the Birmingham Care Wage will ensure that service providers will more than meet their obligation to pay the Government's "National Living Wage" for over 25 year olds of £7.20 per hour.

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

- 6.1 The application of the Birmingham Living Wage immediately across all social care contracts is unaffordable and is not resourced in the long-term financial plan.

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

- 7.1 The introduction of the Birmingham Care Wage from 1<sup>st</sup> April 2016 is an interim step with a view of increasing this to the Birmingham Living Wage rate as at April 2018.

## **Signatures**

## **Date**

Councillor Paulette Hamilton  
Cabinet Member for  
Health and Wellbeing

.....

Councillor Brigid Jones  
Cabinet Member for  
Children Services

.....

Councillor Stewart Stacey,  
Cabinet Member for  
Commissioning, Contracting &  
Improvement

.....

Peter Hay  
Strategic Director for People

.....

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

"Adult social care sector and workforce in the West Midlands" – Skills for Care, January 2016  
"National Living Wage – Impact in Birmingham" – Skills for Care, January 2016

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

1. Equality Assessment

<b>Report Version</b>	V10	<b>Dated</b>	11/02/2016
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<b>PUBLIC</b>		
<b>Report to</b>	<b>CABINET</b>	
<b>Report of:</b> <b>Date of Decision:</b>	<b>Strategic Director for People</b> <b>16<sup>th</sup> February 2016</b>	
<b>SUBJECT:</b>	<b>LIVING WAGE UPDATE</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001343</b>	
<b>If not in the Forward Plan:</b> <b>(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 Paulette Hamilton - Health and Social Care</b> <b>Cllr Stewart Stacey - Commissioning, Contracting &amp; Improvement</b> <b>Cllr Brigid Jones – Children’s Services</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Cllr Majid Mahmood – Health and Social Care</b> <b>Cllr Waseem Zaffar - Corporate Resources</b> <b>Cllr Susan Barnett – Education and Vulnerable Children</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>LATE REPORT</b>
<p><b>Reasons for Lateness</b></p> <p>This report contains detail about the proposal for a Birmingham Care Wage referred to in both the ‘Draft Council Business Plan &amp; Budget 2016+’ report and the ‘Framework Agreements extension for adults’ services and children’s home support’ report elsewhere on the Cabinet agenda.</p> <p>There has been a need to co-ordinate all three reports which has meant that this report could not be completed on time</p>



# Equality Analysis

## Birmingham City Council Analysis Report

<b>EA Name</b>	Living Wage - Impact Upon The Directorate For People
<b>Directorate</b>	People
<b>Service Area</b>	Adults - Joint Commissioning
<b>Type</b>	New/Proposed Policy
<b>EA Summary</b>	<p>From 1st April 2016, the National Living Wage will be implemented for citizens aged 25 years and over.</p> <p>At Cabinet on February 16th, 2016, proposals will be made about the phasing in of the Birmingham Living Wage to social care.</p>
<b>Reference Number</b>	EA001152
<b>Task Group Manager</b>	Charles.Ashton-Gray@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Senior Officer</b>	alan.lotinga@birmingham.gov.uk
<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 Policy.

## 2 Overall Purpose

### 2.1 What the Activity is for

What is the purpose of this Policy and expected outcomes?	<p>When the Living Wage Policy was approved by Cabinet on 22nd April 2013 it was understood that social care was an area where other local authorities had found applying the Living Wage hardest to achieve and social care contracts were approved as being outside the scope of the Living Wage Policy.</p> <p>However, it has always been the Council's ambition to include care staff working on Council contracts and as a result of decisions proposed within the budget, a sum of money has been identified subject to approval by full Council on 1st March 2016 - to introduce a Birmingham Care Wage.</p>
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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> Like the Birmingham Living Wage, the introduction of the Birmingham Care Wage will help individuals and families, and will boost the overall wellbeing of Birmingham's citizens. It is also aimed at boosting productivity, improving the quality of work and has been seen to reduce sickness and aid staff retention.	
A Fair City	Yes
<u>Comment</u> Skills for Care have estimated that there are over 24,000 adult social care jobs in Birmingham, a significant number of them will be associated with the delivery of City Council care contracts.	
A Prosperous City	Yes
<u>Comment</u> The Living Wage Policy accepted that the UK's current social care industry was wholly predicated on a low-pay business model and therefore the introduction of the Birmingham Care Wage is an opportunity to put more money into those people's pockets and will help local shops and businesses, creating a virtuous spiral that can treble its value to the local economy.	
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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#### Comment

It is expected that citizens who use City Council contracted care services and their carers will benefit from increased skills development among care staff, increased staff performance and job satisfaction and increased staff retention, as a result of the introduction of the Birmingham Care Wage.

Birmingham's Market Position Statement for Social Care - 2012-2014 indicates that there are potentially as many as 2,000 self-funding older adults in bed-based care in Birmingham, along with 4,800 with some level of self-funding of home support services. There is no indication of the number of working age self-funders of care, as the numbers are thought to be very low.

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

### **2.3 Analysis on Initial Assessment**

It is expected that citizens who use City Council contracted care services and their carers will benefit from increased skills development among care staff, increased staff performance and job satisfaction and increased staff retention, as a result of the introduction of the Birmingham Care Wage.

There is a risk that citizens who arrange and fund their own care may see an increase in the cost of their care. They too, however, should benefit from enhancements to the quality of the care that they receive.

### **3 Concluding Statement on Full Assessment**

The Living Wage Policy accepted that the UK's current social care industry was wholly predicated on a low-pay business model and therefore this opportunity to put more money into those people's pockets will help local shops and businesses, creating a virtuous spiral that can treble its value to the local economy.

Skills for Care have estimated that there are over 24,000 adult social care jobs in Birmingham, a significant number of them will be associated with the delivery of City Council care contracts.

Like the Birmingham Living Wage, the introduction of the Birmingham Care Wage will help individuals and families, and will boost the overall wellbeing of Birmingham's citizens. It is expected that citizens who use City Council contracted care services and their carers will benefit from increased skills development among care staff, increased staff performance and job satisfaction and increased staff retention, as a result of the introduction of the Birmingham Care Wage.

There is a risk that citizens who arrange and fund their own care may see an increase in the cost of their care. They too, however, should benefit from enhancements to the quality of the care that they receive.

### **4 Review Date**

02/03/16

### **5 Action Plan**

# BIRMINGHAM CITY COUNCIL

## PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>
<b>Report of:</b>	<b>Strategic Director for People</b>
<b>Date of Decision:</b>	<b>16 February 2016</b>
<b>SUBJECT:</b>	<b>FRAMEWORK AGREEMENTS EXTENSION FOR ADULTS' SERVICES AND CHILDREN'S HOME SUPPORT (C0074)</b>
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001207</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 for Local Services:</b>	<b>Councillor Stewart Stacey – Commissioning, Contracting &amp; Improvement</b> <b>Councillor Paulette Hamilton – Health and Social Care</b> <b>Councillor Brigid Jones – Children's Services</b>
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Waseem Zaffar – Corporate Resources</b> <b>Councillor Majid Mahmood – Health and Social Care</b> <b>Cllr Susan Barnett - Education and Vulnerable Children</b>
<b>Wards affected:</b>	<b>All</b>

<b>1. Purpose of report:</b>
<p>1.1 To seek authority to extend the current Framework Agreement for the provision of adults' services, including home support and older adults residential care (with and without nursing) for a further 18 months from 1 April 2016 to 30 September 2017.</p> <p>1.2 To seek authority to extend the current Framework Agreement for children's home support from 13 August 2016 until 30 September 2017 to align with the adults' Framework Agreement.</p>

<b>2. Decision(s) recommended:</b>
That Cabinet:
<p>2.1 Authorises the extension of the current Framework Agreements for the provision of adults' services and children's home support until 30 September 2017 and notes the associated procurement timetable in 5.8 below for its replacement.</p> <p>2.2 Authorises the City Solicitor to negotiate, execute and complete all relevant legal documentation to give effect to the above recommendations.</p>

<b>Lead Contact Officer(s):</b>	Alison Malik Head of Service – Complex and Statutory Services Commissioning Centre of Excellence People Directorate	Maria Gavin Assistant Director – Complex and Statutory Services Commissioning Centre of Excellence People Directorate
<b>E-mail address:</b>	<a href="mailto:alison.malik@birmingham.gov.uk">alison.malik@birmingham.gov.uk</a>	<a href="mailto:maria.b.gavin@birmingham.gov.uk">maria.b.gavin@birmingham.gov.uk</a>

### **3. Consultation**

#### **3.1 Internal**

Key officers from Legal & Democratic Services and Corporate Procurement Services have been consulted on the content of this report and associated risks and options. Agreement was reached amongst Officers on 15 December 2015 that the proposed extension is the only practicable option at this stage. Work will continue with Officers from both areas, to further develop an alternative contractual framework for the commissioning of these services in future.

#### **3.2 External**

Formal consultation with service users or service providers is not required in this circumstance as the Framework Agreements provide a contractual framework for the commissioning of services on behalf of the service user. However, the Council has discussed the issues generally, as recently as November 2015, with providers through a range of forums. Once a formal decision has been made, a contract variation will be issued to all providers.

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

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

##### **4.1.1 Consistency with the Following Objectives in the Council Business Plan and Budget 2016+:-.**

This decision is consistent with the Council's overall objective of "making a positive difference every day to people's lives". The Framework Agreements are a contractual tool that allows the Council to commission statutory care services for the most vulnerable citizens - to improve their individual wellbeing.

More specifically the extension of the two Framework Agreements is consistent with the Council Business Plan and Budget 2016+ priorities as follows:

- A fair city – home support and residential care ensure that our citizens are safe and that people are cared for with dignity.
- A prosperous city – the commissioning of services supports the local economy, particularly as the majority of providers are Birmingham-based.
- A democratic city – care services are designed to support the 'whole person' and to assist with their individual wellbeing needs. This is particularly true of those services commissioned through the Framework Agreements, as a key scoring element for successful bids is based on how well each potential provider can meet the wider aspirations of the citizen.
- Council of the future - the Framework Agreements continues the implementation of the People Directorate's Business Transformation agenda.



#### 4.1.2 Compliance with the Birmingham Business Charter for Social Responsibility (BBC4SR) Including Living Wage Requirements

The Birmingham Business Charter for Social Responsibility was approved by Cabinet on 22 April 2013. To date however, few adult social care providers have signed up to the Charter because it includes a requirement to adopt the Living Wage and is only voluntary at this stage.

This is because the Living Wage Policy for Birmingham which was approved by Cabinet on the same day noted that social care contracts were outside the scope of the Living Wage Employer Accreditation License and consideration was dependent on the outcome of the Council's Service Review process; and legal clarifications; it would then be considered as part of the future budget setting processes.

Therefore during the period of the extension of the two Framework Agreements, providers will continue to be asked to voluntarily sign up to the Birmingham Business Charter for Social Responsibility.

The Council will work with providers as part of the process to replace the extended Framework Agreements, to support full implementation of the Birmingham Business Charter for Social Responsibility and the Birmingham Living Wage.

#### 4.2 Financial Implications

Services that are delivered under these Framework Agreements are procured via a micro-procurement, competitive tender basis. There is no obligation on the purchaser (Birmingham City Council) to buy anything from the framework, nor is there any obligation on the part of providers to bid for packages. However, the ultimate choice of supplier remains with the citizen – particularly in relation to adults' residential care.

Based on historic usage it is estimated that £126.3m will be spent through these Framework Agreements annually, funded from the Adult Social Care and Children's Home Care budgets. Some of these packages are longstanding and a price increase has not been made to these since 2006. In recognition of this, an interim offer was agreed by the Cabinet Member for Health and Social Care jointly with the Strategic Director for People on 28 January 2016 ('Stability in the Adult Home Support Market in Birmingham'). The costs of this are included within the overall financial provision below.

The Introduction of the Birmingham Care Wage elsewhere on this agenda will have an impact on providers who are commissioned through these Framework Agreements. The Council expects to be able to have sufficient funding to allow social care providers to be able to pay an hourly rate of at least £7.50 per hour from April 2016, an increase of 11.9% for those over 21 year olds on the National Minimum Wage of £6.70

The financial impact of this is expected to be £7.8m per annum (based on historical demand) which will be funded from within the draft 2016/2017+ budget which is subject to final approval by full Council on 1 March 2016. The full impact of this is considered within the 'Living Wage Update' report. The Council's budgetary provision increases over future years to ensure that providers can afford to pay the Birmingham Living Wage by 2018/19. Any underlying pressures for fee uplifts above this will need to be contained from within the Directorate's overall Budgets.

Paying the Birmingham Care Wage will ensure that service providers will more than meet their obligation to pay the Government's "National Living Wage" for over 25 year olds of £7.20 per hour.

#### 4.3 Legal Implications

Under Section 8 of the Care Act 2014, a local authority can discharge its duty to meet assessed eligible need for care and support under sections 18 to 20 of the Act, by providing care and support at home or in the community or goods or facilities and the local authority can provide these by arranging for them to be provided by another person or body other than the local authority.

The Council is enabled, by Section 111 of the Local Government Act 1972, to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions. The Council therefore has a general power to enter into contracts for the discharge of any of its functions.

##### 4.3.1 Pre-Procurement Duty under the Public Service (Social Value) Act 2012

With effect from 1 April 2016, providers will be invited to voluntarily sign up to the Birmingham Business Charter for Social Responsibility. The People Directorate and Corporate Procurement Services will jointly work with providers to establish what social, environmental and economic benefits can be achieved from future commissioning activity. A key element of any new or replacement contractual arrangement will consider in full and make explicit, how the procurement will improve the economic, social and environmental well-being of Birmingham.

#### 4.4 Public Sector Equality Duty

Please see Appendix A and Appendix B. There are no adverse impacts identified.

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

#### 5.1 Service Background

The Council has a range of statutory duties and powers to assess the needs of citizens for care and support and commission a range of services that meet these needs (please see section 4.3 above). The Council currently commissions a wide range of care and support services, however this report focuses, on those services commissioned through two Framework Agreements – which currently include the commissioning of home support for adults' and children and residential care for older adults'. These are described in more detail below:

#### 5.2 Home Support (adults' and children's)

Home support services for adults' and children provide care in the citizen's home and can include help with:

- personal care including washing and dressing;
- housekeeping or cleaning;
- cooking and preparing meals;
- taking medications or health care needs; and
- companionship or activity based support.

### 5.3 Adults' Residential Care

Adult residential care is provided for those citizens who are unable to live independently in their own home. Residential care is usually separated into two categories:

1. Homes registered to provide personal care – these homes are able to provide personal care services similar to those provided by home support, but are delivered in a permanent care home setting.
2. Homes registered to provide nursing care – these homes are able to provide personal care services but also have registered nurses to provide care for any medical conditions or disabilities. Some nursing homes may also specialise in providing care for certain disabilities or conditions such as Dementia or Alzheimer's.

The Framework Agreement is currently only used to commission residential services for older adults i.e. those aged 65+. Due to an ongoing legal challenge, until such time as the review outlined in 5.8 below has been conducted, the Council will not implement the Cabinet decision made on 27 July 2015 in relation to the use of a Framework Agreement for residential care for younger adults' (aged 18 – 64).

### 5.4 Contractual Background

The decision to move away from block contracts and spot purchasing, was reviewed and evaluated through a detailed options appraisal as part of the Directorate's Business Transformation Programme in 2011. As a result of this, following Cabinet approval on the 30 January 2012, the Council entered into a Framework Agreement on 1 April 2012 for the commissioning of adults' services including home support; and residential care (with and without nursing) for older adults', which was to run for two years. In line with the original contract award, this was extended by the Strategic Director of Adults and Communities on 5 December 2013 for a further two years until 31 March 2016. A further Framework Agreement was entered into on 13 October 2014 for the provision of children's home support, which will expire on 12 August 2016.

Framework Agreements are a form of contract specified under the Public Contracts Regulations 2015. These are used by public bodies to set out terms and conditions under which specific call-off purchases can be made with one or more providers throughout the term of the agreement. It is usually only possible - under the Regulations - to use a Framework Agreement for a maximum period of four years, although this requirement is not absolute.

As part of the Business Transformation Programme Revised Full Business Case (2011), it was agreed that a micro procurement process would be used to allow for there to be a mini-competition between providers appointed to the framework panel, in order to determine which provider on the Framework Agreements would be allocated a new package. To assist with this process, an electronic solution was procured (via Service Birmingham) in 2012 called Sproc.net. This allows each assessed care package to be specified by the Council onto the web portal and for all accredited providers to view and bid upon these requirements. A process of assessing quality and price then allows the Council to award each individual package through a mini-competition. It should be noted that a number of care packages are purchased through citizens exercising their right to choose a care provider; these packages are published through Sproc.net, but only to the selected provider.

Officers of the Council were delegated Authority on 22 March 2012 to add new providers to those listed in the Cabinet Decision of 30 January 2012. The Council publishes information about the Framework Agreements on its website and through the Find it in Birmingham portal. A combination of the Framework Agreements and Sproc.net are used to allow new providers to come into the home support and residential care market at any time. However they must first demonstrate they meet the Council's criteria and agree to the terms and conditions of the Framework Agreements.

#### 5.5 Timescales

As a result of a number of changes and reviews, both corporately and within the People Directorate, it has not been possible to move to an alternative contractual basis ahead of the expiry of the existing adults' Framework Agreement on 31 March 2016. An interim solution is therefore required to ensure that the adults' social care market is not destabilised and that the Council can continue to fulfil care packages for adults', that are of a fair quality and price. Furthermore the children's home support Framework Agreement expires in August 2016 and it is recommended that this agreement is also extended. This will allow a single procurement exercise to take place in 2016/ 2017.

It is equally important that the Council continues to be able to demonstrate that a competitive approach is being taken to commissioning and that this is fair and transparent.

#### 5.6 Preferred option

The preferred option is therefore to extend the current Framework Agreements until 30 September 2017, allowing the People Directorate's Commissioning Centre of Excellence sufficient time to:

- Review existing contractual arrangements across the Commissioning Centre of Excellence and assess the extent to which any further categories of care/services could be incorporated into a new contractual arrangement.
- To assess the opportunities afforded by the new Public Contracts Regulations 2015, particularly in relation to the use of Dynamic Purchasing Systems.
- Stabilise the social care market whilst the Council is determining its approach to pricing.
- Stabilise the social care market whilst the Council continues to procure and implement a number of systems including the Electronic Home Visit Monitoring System (currently in the procurement phase) and Self Receipting and Self Billing (currently in the implementation phase). These will have financial savings for the Council, but will also place potential pressures on providers whilst we implement and deal with any initial teething problems.
- Review the contractual arrangements with the provider of our Sproc.net web portal (which has an extension option that can be exercised in September 2016), to ensure the solution continues to provide both value for money and a fit-for-purpose solution for the future.

## 5.7 Potential Risks

Any potential risks should be mitigated as follows:

- Officers of the Council have delegated authority to allow new providers to enter the current Framework Agreements throughout the term, meaning that new providers can join the Frameworks at any time, as long as they meet the minimum entry criteria and agree to the Council's terms and conditions.
- Each care package is commissioned through a mini-competition as described in 5.4 above. This ensures a fair and transparent process of allocating care packages to providers. This process also ensures that care packages are allocated based on a mixture of quality and price, with quality also focussing on how each provider can best meet the wider wellbeing goals and aspirations of the citizen.
- A contract extension would allow the Council to take a more holistic view of commissioning activity as described in 5.6 above, providing improved quality of outcomes for citizens and better value for money for the Council in the long-term.
- Continues the Council's investment in the systems used in the micro-procurement process and also the extensive work undertaken in developing quality standards and the overall care market in Birmingham.

5.8 An indicative timetable has been developed in conjunction with Corporate Procurement Services to ensure an alternative contractual arrangement is embedded within the 18 month extension period. Engagement activity will take place with providers and citizens who will be involved at all stages of the process. We will ensure that citizens' views are incorporated in all specifications and that the process is clear to all those effected. The proposed timetable is therefore as follows:

<b>Activity<sup>1</sup></b>	<b>Key dates</b>
Approval of Contract Extension by Cabinet	16 February 2016
Issue contract variation	February 2016
Business requirements gathering	January – March 2016
Business case to be confirmed	April 2016
Contract strategy approved by Cabinet including decision on Sproc.net (micro-procurement tool) extension	May 2016
Proposed Terms and Conditions/specifications, quality ratings, accreditation criteria and social value criteria developed for all categories of care	May - July 2016
Stage 1 Market and service user engagement	August – October 2016
Analysis and further development of proposals	November 2016
Stage 2 Market and service user engagement	November – December 2016
IT systems development	January - February 2017
Training and briefings (internal and external)	March – April 2017
OJEU notice, Pre-Qualification Questionnaire and all documentation published	February 2017
Contract Award Report	July 2017
Go Live for new solution	September 2017

<sup>1</sup> Additional activity not specifically included in the above timetable, but that will run in

parallel includes the potential implementation of the Electronic Home Visit Monitoring, Self Billing and Self Receipting and also the 'Living Wage Update' as described in section 4.1.2 above.

<sup>2</sup> The Framework Agreements will require a formal variation to affect the extension (as approved) and any price increases associated with implementation of the Birmingham Care Wage and the Birmingham Living Wage.

## 5.9 Contract Management

The micro-procurement system has a built in 'floor' and 'ceiling' tolerance price that ensures that prices are not accepted if they fall below a price whereby quality would be jeopardised, and to ensure that the budget can be managed appropriately.

The Framework Agreement is now embedded as the method of commissioning social care services for eligible citizens with almost 1,000 registered providers. Authority is now sought to extend this approach for a further 18 months in order to maximise further savings opportunities, demonstrated through the continued use of the Framework Agreement and associated micro-procurement system.

A provider Quality Framework has been established and is in operation to support commissioners to proactively manage the quality and performance of providers. Any breaches of contract, performance, quality or safeguarding issues are managed via the contract management and supplier relationship management process, in partnership with CQC and health partners, where appropriate.

Responsibility for the procurement of these contracts sits with the Head of Service – Complex and Statutory Services, as does the contract management and micro-tendering process. As detailed in 4.2 above, the packages of care individually commissioned through the Framework Agreements are paid for through the Adults' Social Care budget and the Children's Home Support budget.

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

6.1 To ensure business continuity and to find an alternative solution ahead of the current Framework Agreements expiring, there are regrettably a limited number of options available. These options are detailed below which includes the key issues and considerations for each:

### **Option 1 – Re-procure based on the existing terms and conditions and enter into a new Framework Agreement**

- Should any providers choose not to sign up to any new Framework Agreement the Council is unlikely to want to move those in residential care. This would be disruptive to an already vulnerable group of citizens and would also place an additional cost burden on the Council in re-assessing needs and finding alternative procurement routes for these care packages
- The amount of work involved to produce the necessary documentation and undertake tender evaluation would not be possible before 31 March 2016.
- Some providers may have a limited capacity to go through the procurement process twice in a very short space of time.

- There are a number of other projects/developments that are ongoing - primarily the Electronic Home Visit Monitoring System and the Council's implementation of the National Minimum Wage and National Living Wage as detailed in 4.1.2 and 4.2 above. It is therefore important that the Council minimises the impact of these on the market and protects some of our smaller providers.

### **Option 2 – Utilise another Framework Agreement**

- Any existing Framework Agreements let by other Authorities will not have been advertised for the volume and scale of care packages involved in Birmingham. We have commissioned over £72m of care through our Frameworks in 2015/16 and this is likely to pose significant risk of challenge to any other procuring Authority.
- The majority of neighbouring Authorities use fixed rates and block contracts or Framework Agreements that do not allow new providers to enter. The Council has invested significant resources into developing dynamic pricing and gained savings from this approach. Any move away from this would no longer be consistent with the Business Transformation Full Business Case.
- The Council has invested heavily in our electronic micro-procurement IT system (Sproc.net) and has a number of existing projects in progress. These are due to bring benefits and savings, but would have to be discontinued if we moved to fixed pricing.

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

- 7.1 To enable the Strategic Director for People to continue to commission a framework of providers to deliver adults' services and children's home support under the existing Framework Agreements until 30 September 2017.

### **Signatures**

### **Date**

Cllr Stewart Stacey  
Cabinet Member for  
Commissioning, Contracting and .....  
Improvement

Cllr Paulette Hamilton  
Cabinet Member for Health  
and Social Care .....  
.....

Cllr Brigid Jones  
Cabinet Member for Children  
Services .....  
.....

Peter Hay  
Strategic Director for People .....  
.....

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

1. Cabinet Report of 30 January 2012 - "To establish a framework of providers for home care and care homes (with and without nursing)".
2. Delegated Authority Report of 22 March 2012 – "C0074 Home Support Services and Care Homes (with and without nursing)".
3. Delegated Award Report of 5 December 2013 – "Framework Agreement Extension for Home Support and Bed Based Care (C0074)".
4. Cabinet Report of 20 October 2014 - "Micro-procurement software for People Directorate".
5. Cabinet Report of 20 April 2015 – "Introduction of a Framework Agreement for Younger Adults' care providers and the use of micro-procurement process to purchase care services for younger adults' (18-64 years)"

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

1. Appendix A – Equality Analysis
2. Appendix B – Equality Impact Needs Analysis (2011)

<b>Report Version</b>	<b>V10</b>	<b>Dated</b>	<b>11 February 2016</b>
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## Equality Analysis

### Birmingham City Council Analysis Report

<b>EA Name</b>	Framework Agreement Extension for adults' services and children's home support
<b>Directorate</b>	People
<b>Service Area</b>	Adults' - Joint Commissioning
<b>Type</b>	Amended Function
<b>EA Summary</b>	This Equality Assessment considers the impact of a contract extension for the commissioning of adults' services and children's home support via a Framework Agreement.
<b>Reference Number</b>	EA001150
<b>Task Group Manager</b>	Charles.Ashton-Gray@birmingham.gov.uk
<b>Task Group Member</b>	
<b>Senior Officer</b>	Maria.B.Gavin@birmingham.gov.uk
<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 an Amended Function.

## 2 Overall Purpose

### 2.1 What the Activity is for

What is the purpose of this Function and expected outcomes?	<p>The Council has a range of statutory duties and powers to assess the needs of citizens for care and support and commission a range of services that meet these needs. The Council currently commissions a wide range of care and support services, however this assessment focuses, on the commissioning of home support for adults' and children and residential care for older adults', which are the only categories of care currently commissioned through the existing Frameworks.</p> <p>The key outcome for this function is to assist with the Councils overall objective of making a positive difference every day to people's lives. The Framework Agreements allows the Council to commission statutory care services for the most vulnerable citizens - to improve their individual wellbeing.</p> <p>The key outcomes from this commissioning activity being:</p> <ul style="list-style-type: none"><li>• A fair city - providing home support and residential care that ensures that our citizens are safe and that people are cared for with dignity.</li><li>• A prosperous city - commissioning of services that support the local economy, particularly as the majority of providers are Birmingham-based.</li><li>• A democratic city - commissioning care services that are designed to support the whole person and to assist with their individual wellbeing needs. This is particularly true of those services commissioned through the Framework Agreements, as a key scoring element for successful bids is based on how well each potential provider can meet the wider aspirations of the citizen.</li><li>• Council of the future - continuing implementation of the People Directorate's Business Transformation agenda.</li></ul>
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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

### 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 Analysis on Initial Assessment

The Framework Agreement was agreed in 2011 and has subsequently been used for commissioning of home support and residential care for older adults' from 2012, and for the provision of home support for children in 2014 – these being the first phases of the implementation of the Cabinet Decision to enter into Framework Agreements. At the time of the decision a full impact assessment was conducted which concluded that the implementation of a Framework Agreement would allow greater personalisation of services to meet service user needs and provide for more open competition in the market place.

A full analysis was completed in 2011 surrounding the impact on groups with protected characteristics and this Equality Analysis contained in Appendix B to the main report. As the Key Decision is to extend these current arrangements, the initial assessment and rationale for the decision remain.

The Framework Agreement has been in operation since 2012 and is used as a standardised method of commissioning assessment packages of care. These packages are commissioned through an electronic micro-tending system which uses anonymised information about the care needs of individuals. The only exception to this is where protected characteristics such as gender or ethnic origin are specifically included with the social work Support Plan as being relevant to that citizen's assessed eligible needs for care and support. On this basis, we believe that this process allows for information regarding packages of care to be largely anonymised and supports equality of service delivery for those with protected characteristics.

This allows each assessed eligible care package to be specified by the Council onto the web portal and for all accredited providers to view and bid upon these requirements. A process of assessing quality and price then allows the Council to award each individual package through a mini-competition. It should be noted that a number of care packages are purchased through citizens exercising their right to choose a care provider; these packages are published through Sproc.net, but only to the selected provider.

### 3.1 Age

#### 3.1.1 Age - Differential Impact

Age	Relevant
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#### 3.1.2 Age - Impact

Describe how the Function meets the needs of Individuals of different ages?	The Framework Agreements allows for the commissioning of care packages for citizens with assessed care needs for both children (those aged 0 - 25) and also for adults' (those aged 18+). The services commissioned are based on the support plan that is developed by the Social Worker based on assessed eligible need for care and support
Do you have evidence to support the assessment?	Yes
Please record the type of evidence and where it is from?	<ul style="list-style-type: none"><li>- Detailed specifications for each category of care have been developed, as well as more general terms and conditions for providers to comply with.</li><li>- Individual support plans demonstrate the need for a range of personalised services to be commissioned.</li></ul>
Have you received any other feedback about the Function in meeting the needs of Individuals of different ages?	Yes
Please record the nature of such feedback.	We have received feedback regarding the introduction of a Framework Agreement for younger adults' (18 - 64), however this is not the subject of this report.
You may have evidence from more than one source. If so, does it present a consistent view?	Yes
Is there anything about the Function and the way it affects Individuals of different ages which needs highlighting?	No

#### 3.1.3 Age - Consultation

Have you obtained the views of Individuals of different ages on the impact of the Function?	Yes
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If so, how did you obtain these views?	Detailed consultation and engagement activity was conducted in 2011 and 2012 in relation to the implementation of changes to care services and also as part of the Council's wider budget consultation. As a result of this activity, the current Framework Agreement for adults' was entered into. No adverse feedback has been received in relation to the impact on those with protected characteristics since its implementation. A more detailed summary of this was included in the original Full Equality Analysis in 2011 which can be found in Appendix B to the main report.
Have you obtained the views of relevant stakeholders on the impact of the Function on Individuals of different ages?	Yes
If so, how did you obtain these views?	Please see above.
Is there anything about the Function and the way it affects Individuals of different ages which needs highlighting?	No

#### 3.1.4 Age - Additional Work

	No
Please explain how individuals may be impacted.	As the services commissioned are based on individual needs but are then anonymised to remove details of protected characteristics where they are not relevant to the assessment, it means that providers cannot select based on these protected characteristics.
Is there any more work you feel is necessary to complete the assessment?	No
Do you think that the Function 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 Function could help foster good relations between persons who share the relevant protected characteristic and persons who do not share it?	No

## 3.2 Disability

### 3.2.1 Disability - Differential Impact

Disability	Relevant
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### 3.2.2 Disability - Impact

Describe how the Function meets the needs of Individuals with a disability?	The Framework Agreements allows for the commissioning of care packages for citizens with assessed care needs for both children (those aged 0 - 25) and also for adults' (those aged 18+). The services commissioned are based on the support plan that is developed by the Social Worker based on assessed/eligible need for care and support
Do you have evidence to support the assessment?	Yes
Please record the type of evidence and where it is from?	<ul style="list-style-type: none"><li>- Detailed specifications for each category of care have been developed, as well as more general terms and conditions for providers to comply with.</li><li>- Individual support plans demonstrate the need for a range of personalised services to be commissioned.</li></ul>
Have you received any other feedback about the Function in meeting the needs of Individuals with a disability?	Yes
Please record the nature of such feedback.	We have received feedback regarding the introduction of a Framework Agreement for younger adults' (18 - 64), however this is not the subject of this report.
You may have evidence from more than one source. If so, does it present a consistent view?	Yes
Is there anything about the Function and the way it affects Individuals with a disability which needs highlighting?	No

### 3.2.3 Disability - Consultation

Have you obtained the views of Individuals with a disability on the impact of the Function?	Yes
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If so, how did you obtain these views?	Detailed consultation and engagement activity was conducted in 2011 and 2012 in relation to the implementation of changes to care services and also as part of the Council's wider budget consultation. As a result of this activity, the current Framework Agreement for adults' was entered into. No adverse feedback has been received in relation to the impact on those with protected characteristics since its implementation. A more detailed summary of this was included in the original Full Equality Analysis in 2011 which can be found in Appendix B to the main report.
Have you obtained the views of relevant stakeholders on the impact of the Function on Individuals with a disability?	Yes
If so, how did you obtain these views?	Please see above.
Is there anything about the Function and the way it affects Individuals with a disability which needs highlighting?	No

### 3.2.4 Disability - Additional Work

Do you need any more information to complete the assessment?	No
Please explain how individuals may be impacted.	As the services commissioned are based on individual needs but are then anonymised to remove details of protected characteristics where they are not relevant to the assessment, it means that providers cannot select based on these protected characteristics.
Is there any more work you feel is necessary to complete the assessment?	No
Do you think that the Function has a role in preventing Individuals with a disability being treated differently, in an unfair or inappropriate way, just because of their disability?	Yes
Do you think that the Function 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 Function will take account of disabilities even if it means treating Individuals with a disability more favourably?	Yes
Do you think that the Function could assist Individuals with a disability to participate more?	Yes
Do you think that the Function could assist in promoting positive attitudes to Individuals with a disability?	No

### **3.3 Concluding Statement on Full Assessment**

On the basis that a Full Analysis was conducted in 2011 (contained in Appendix B to the main report) prior to the implementation of the existing Framework Agreements and that an extension to this is currently being sought, there is no further adverse impact.

Having operated the Framework Agreement for 4 years, there have been no adverse comments or feedback received from citizens with protected characteristics, in relation to the contractual framework.

Further consultation has taken place in relation to services for younger adults', however this is not the subject of this report. Furthermore there is no indication that the existing Framework Agreements do not provide appropriate statutory care services for citizens with protected characteristics.

## **4 Review Date**

30/05/16

## **5 Action Plan**

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





## INITIAL SCREENING – STAGE 1

As a public authority we need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity.

Please complete the following questions to determine whether a Full EINA/EQUALITY ANALYSIS is required.

<b>Name of policy, strategy or function:</b> Framework Agreement for Home Care and Care Homes with and without Nursing	<b>Ref:</b> AC-1108FR
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<b>Responsible Officer:</b> John Sullivan Blakeney (until 17/11/2011) / Dionne Williams	<b>Role:</b> Chairperson of EINA/EQUALITY ANALYSIS Task Group
<b>Directorate:</b> Adults and Communities	<b>Assessment Date:</b> 5 December 2011

<b>Is this a:</b>	Policy <input type="checkbox"/>	Strategy <input type="checkbox"/>	Function <input checked="" type="checkbox"/>	Service <input checked="" type="checkbox"/>
<b>Is this:</b>	New or Proposed <input type="checkbox"/>	Already exists and is being reviewed <input type="checkbox"/>	Is Changing <input checked="" type="checkbox"/>	

### 1. What are the main aims, objectives of the policy, strategy, function or service and the intended outcomes and who is likely to benefit from it

A framework agreement is a general term for agreements with a provider, or providers, that set out terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. They are used for products, works or services where requirements are needed on a repetitive basis but where the exact quantities are unknown. They are particularly useful, because once a framework is established, the process for awarding individual call-offs is both faster and less costly than would be the case if the requirement was procured separately (www.ogc.gov.uk).

The Council seeks to enter into a framework agreement with providers of services regulated by the Care Quality Commission. The framework agreements will take over from the current contractual arrangements for Home Care and Care Homes with and without nursing. This framework is for all client groups and thus aims to streamline and provide transparency and equity as to how services are commissioned for service users. This is for the benefit of both service providers and service users.

This framework agreement is a procurement activity which is intended to be a transitional arrangement moving towards the Council's Future Operating Model (FOM) for commissioning adult care services. Framework agreements are more suited to Personalisation as they allow choice and control to citizens as to who delivers their services, as the Council seeks to move away from block contracting arrangements. The long term (or FOM) for commissioning following the Framework Agreement sees customers being encouraged to manage their own individual budget and where possible (and where legislation permits), purchase support (support brokerage) from a range of providers in the market place. However there will be instances where the Directorate will continue to manage the customer's Individual Budget, under the current traditional model (the managed service).

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Framework agreements also allow the Council to have a more flexible arrangement with the market, only purchasing services that are required, with no commitment to buy any services from a provider.

The Council is also seeking to make efficiencies and savings via mini competitions, which would take place under the framework. There will be no contracted prices and so providers will need to be competitive in terms of quality and price in order to 'win' bids for packages of care. It moves the Directorate away from Council set rates to market driven competitive prices, stimulates competition and allows new providers to enter the market at any time. This provides greater transparency to providers and the general public as to how services are commissioned, as well as demonstrating value for money with the emphasis on quality relevant to individual service users. (See 1.6.4 in **Appendix 5** attached).

The framework agreement will be awarded for a two year period commencing on 1st 2012; with a possible extension of up to two years. Any extension would be based upon the pace of the review of packages of care and the move to the Governments' requirements to increase the number of Direct Payments and Individual Budgets.

The framework agreement has been developed in partnership with Health colleagues and providers online and via a number of events. The Directorate will also have joint partnership arrangements with Health around provider performance under the framework agreement.

## 2. Explain how the main aims of the policy, strategy, function or service will support the Equality Duties?

- |  |                                     |
|--|-------------------------------------|
| 1. Eliminate discrimination, harassment and victimisation? | <input type="checkbox"/>            |
| 2. Advance equality of opportunity?                        | <input checked="" type="checkbox"/> |
| 3. Foster good relations?                                  | <input checked="" type="checkbox"/> |
| 4. Promote positive attitudes towards disabled people?     | <input type="checkbox"/>            |
| 5. Encourage participation of disabled people?             | <input checked="" type="checkbox"/> |
| 6. Consider more favourable treatment of disabled people?  | <input checked="" type="checkbox"/> |

### Advance equality of opportunity

The framework agreement will enable service users to exercise some choice about who delivers their service, even where the Council is managing the service on their behalf. The current arrangements for service users to choose between providers vary between provision and social work teams. Under the framework agreement, in all instances, a provider will be shortlisted to deliver a care package based upon quality and price elements stipulated by the Council. The service user can then select a provider from those short listed. The framework agreement will also provide transparency to providers as to how work is allocated. Currently, care home provision is usually determined by the social worker and/or with the service user; using either a third party broker service (for which there is a charge) or the opinion of the social worker. Home care is determined by brokers employed by the Council, which is based upon their opinion. The use of a framework agreement will provide a transparent process by which social workers, brokers and service users can make choices about a provider; but allows any provider who is on the framework to bid/compete for services they maybe suitable to deliver.

### Foster good relations

The framework agreement is part of Commissioning's new approach to the social care market. Commissioning wish to work with providers via a Supplier Relationship Management (SRM) approach. This approach seeks to improve relationships with the market which at times have been difficult (with some providers). The framework agreement in conjunction with the Directorate's Marketplace enables service users to be more engaged in the commissioning of their social care. The framework agreement also seeks to provide service user choice whilst ensuring that the

Council achieves best value in terms of quality and price.

### **Encourage participation of disabled people?**

The framework agreement is a transitional arrangement towards the Directorate's FOM for adult social care services, which seeks to put service users at the forefront of commissioning decisions; and where capacity is there, for service users to commission directly with service providers. This framework arrangement and the eventual FOM for adult social care is across all client groups; and so service all users with assessed eligible needs will be encouraged and supported to make their own commissioning decisions in line with their allocated amount of funding to meet their assessed eligible needs.

### **Consider more favourable treatment of disabled people?**

The framework agreement aligns itself to the Directorate's FOM which seeks to promote and support the Government's Personalisation agenda. The Personalisation agenda seeks to put all service users at the forefront of adult social care. In line with the choice directive, the framework agreement seeks to empower all service users to whom there is a statutory duty to provide services to meet assessed eligible need to be able to make choices about the services which they receive, in line with amount of funding which is available to them.

### **3. Does your policy, strategy, function or service affect:**

Service users	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Employees	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Wider community	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>

#### **Please provide an explanation for your 'Yes' or 'No' answer**

##### **Service users and their advocates**

The introduction of framework agreements will not have an impact in terms of direct service delivery, as the impact is more how the service will be commissioned on behalf of the service user. The framework agreement facilitates a choice of services to the service users, as they will be able to choose a provider as long as they meet their needs and are within the financial resource envelope available (in line with the customer's Individual budget and any customer/third party contributions). If no supplier can provide the required service then the package of care will be reassessed under a moderation process which currently exists in the personalisation of budgets.

Framework agreements more affect how the Directorate will interact with service providers and the market to stimulate supply and ensure that there are adequate levels of quality and value for money. The framework now allows an opportunity for all service users to make choices about their service provision in line with clear and transparent processes.

As there will no longer be Council set rates, the results of the mini competition process will determine the price the Council will pay. In agreeing the allocation of money to a customer (individual budget), there will have been a moderation process to ensure that the customer's needs can be met in the marketplace with the amount given. Where customers wish to exercise choice and select a provider which is more expensive, the customer /family may then be required to pay a third party contribution (top up) This will be regardless of the client group or service provision. Currently, due to the way older adult care home provision is commissioned, only customers subject to this type of provision are required to pay a top up. Whereas customers who have services commissioned via spot contracting arrangements, in the main do not pay a top up.

##### **Employees**

The framework agreement will change how employees currently work with the market to commission services. Commissioners will engage with the market via a Supplier Relationship Management (SRM) approach, aiming to work in partnership with providers beyond a contract management function. The use of framework agreements will change how services are commissioned and the role of the Assessment and Support Planning function in that process. This

is being reviewed within a brokerage project, which is looking at how, where and by whom commissioning decisions are made. Regardless of who makes the commissioning decision, the Framework Agreement will put in place fair, clear and transparent processes as to how commissioning decisions are made.

## **Wider Community – The adult social care market**

### Service Providers

This section refers to the social care market. The framework agreement will change how providers engage with the Directorate and ultimately how they will 'win' work for service provision. Providers will compete for work via a mini competition process under the framework. The framework agreement will provide transparent processes for how the mini competition is undertaken, and is ultimately based upon information provided by the provider around quality and price. The framework agreement will divide providers in categories based upon the type of provision they deliver and their geographical location. Currently there is little transparency in the allocation of work to providers and this has caused some tension with certain providers. The framework agreement is an open framework with roll on, roll off arrangements. This is a move away from some current contractual arrangements which have a closed and/or commissioning process. In such cases, we have been unable to commission with new service providers which have entered the market since the commencement of those contracts.

### Small/Niche/Specialist Services

In order for providers to apply, engage and bid for work via the Framework, it requires them to have an ICT infrastructure which requires as a minimum an email address and internet access. There is a risk that smaller organisations are disadvantaged by this, due to the disproportionate cost in comparison to larger companies, both financially and with regards to resources. Although Commissioning is particularly interested in attracting niche/specialist services onto the Framework, there is a risk that the requirements around tendering, micro procurement, and quality assurance in order for providers to engage with the Framework, may disadvantage them. Such businesses tend to be small, have limited infrastructure and deliver to specific customers within the community. Commissioning will work with providers to ensure they are not disadvantaged and provide support and advice where required.

### Self Funders

The Framework Agreement will be in the first instance, be available for service users with a managed service by the Council. However the list and categories of providers will be available for all citizens to view via the Directorate's electronic Marketplace. These providers will be identifiable on the Marketplace and will be subject to a performance management framework overseen by the Council. The Framework Agreement is not however, available to be utilised by self funders directly at this time. Over time, it is intended that the use of the Framework Agreement will reduce; and customers will utilise the Marketplace to commission services directly with the provider. As such, the Council reduces the volume of commissioning it does on behalf of customers.

**4. Are there any aspects of the policy, strategy, function or service, including how it is delivered, or accessed, that could contribute to inequality?** (including direct or indirect discrimination to service users or employees)

Yes ☐

No ☒

**Please provide an explanation for your 'Yes' or 'No' answer**

The framework agreements seek to remove the current inconsistencies of commissioning services which occur across the City, which in turn created inequalities across the City and within client groups. It also seeks to provide transparent, city wide processes for how and by whom services will be commissioned. In some areas of the City, localised processes determine how services are commissioned. The new processes do not intend to remove the professional judgement of social workers, brokers and commissioners, but give them a framework to work to.

The new framework agreement process includes a mini competition process which would require providers to have access to a computer with email and internet access. The Council is aware that there are a small number of providers who currently do not have this IT capability. The Council has been engaging with providers for 12-18 months with regards to its intentions, but it must be noted that this process might impact more upon SME providers as the cost and infrastructure implications (e.g. staff to manage the mini competition process), will be greater to a SME providers. We will be working with providers to ensure they are not disadvantaged by the introduction of the new Framework Agreements, providing advice and support as required.

**5. Will the policy, strategy, function or service, have a adverse (negative) impact upon the lives of people, including employees and service users?**

**Service Users**

Yes ☐

No ☒

**Providers**

Yes ☒

No ☐

**Please provide an explanation for your 'Yes' or 'No' answer**

**Service Users**

The framework agreement in conjunction with the marketplace seeks to offer more choice and control to service users as to how and what type of service is commissioned to meet their needs. Framework agreements also offer a number of opportunities for the Council:

- Value for money advantages of centralised procurement without the commonly associated level of bureaucracy;
- a single tendering exercise over the life of the arrangement;
- no need to negotiate terms and conditions for each requirement as those are agreed as part of the framework set up.
- a reduction in administrative effort and cost for the Council;
- the initial tendering process allows the Council to identify competitive suppliers, who should offer more competitive prices on the basis of an expected value of business;
- having multiple suppliers allows flexibility to cater for a range of requirements;
- the agreed service requirements can be given at short notice by the Council
- to maintain security of supply
- A mutually beneficial longer-term working relationship can be established with providers

**Providers**

The benefits to the provider include:

- a longer term approach to business development planning
- a longer term approach to planning, for example to assist with business planning and employee

requirements

- A mutually beneficial longer-term working relationship can be established with the Council

*However there maybe some adverse impacts for providers.*

The framework agreements do not place any obligation on the Council to actually buy anything, nor for suppliers to provide services. Therefore, if the requirement doesn't fit into the framework agreement or the Council thinks it can achieve better value for money by not using it, and then it can go elsewhere or use its existing contracting arrangements, for example longer term block contracts to which it is still committed.

Framework agreements do not guarantee that providers will get any business from them. Therefore, a provider may spend resources getting included on a framework agreement and never get any business as a result. If providers are struggling to receive work via the framework, then the Council could see (1) providers going out of the market, (2) providers (in particular, specialist providers) not engaging with the process. The Council has taken this into account and has made the tender process and supporting application as streamlined as possible. In addition, all providers who are accepted onto the Framework, also have the opportunity of promoting their services in the 'Marketplace' which will be an interactive information, advice and signposting resource for the general public relating to health and wellbeing for adults in Birmingham. In addition, commissioners are already adopting a Supplier Relationship Management approach with providers to engage in a partnership with them, to ensure that there is a viable, stable and growing market to support the personalisation agenda. All providers will be assigned a named commissioning officer with whom they will be able work with to develop innovative and appropriate services to meet customer's needs and outcomes.

As the Council seeks to move towards its FOM for commissioning, it is based upon a premise that there will be a shift towards customers taking more ownership of their commissioning decisions and in some cases, contracting directly with the provider. In order for this to happen, customers must have a good knowledge and understanding of what they are buying. Where this is not the case, vulnerable customers could be placed at risk. The Council is continuing to put measures in place to support customers to make an informed choice about services. This includes the information and advice web page and the marketplace, which will come on line early 2012.

## 6. Is an Equality Impact Needs Assessment/Equality Analysis required?

If your answer to question 2 has identified potential adverse impact and you have answered '**yes**' to any of the following questions 3, 4, or 5, then you should carry out a Full EINA/EQUALITY ANALYSIS.

Does the Policy, Strategy, Function or Service require a Full EINA/EQUALITY ANALYSIS? **Yes**  
☒ **No** ☐

If a Full EINA/EQUALITY ANALYSIS is required, before proceeding you should discuss the scope of the assessment with service managers in your service area as well as the Directorate EINA/EQUALITY ANALYSIS Contact Officer.

If a Full EINA/EQUALITY ANALYSIS is Not required, please sign the declaration below and forward a copy of the Initial Screening to your Directorate EINA/EQUALITY ANALYSIS Contact Officer



## DECLARATION

A Full EINA/EQUALITY ANALYSIS is not required, the Initial Screening has demonstrated that the Policy, Strategy, Function or Service is robust; there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.

Chairperson: Dionne Williams

Sign-off Date: 6 October 2011

Summary statement:

Due to the fundamental changes as to how services are commissioned for Care Homes and Home Support, a full Equality Analysis is required for the implementation of Framework agreements.

**Quality check: The screening document has been checked using the agreed audit arrangements in the Directorate:**

Name: (Officer/Group carrying out the Quality Check)  
Jim McManus  
Directorate: Adults and Communities  
Contact number:  
[Jim.mcmanus@birmingham.gov.uk](mailto:Jim.mcmanus@birmingham.gov.uk)

Date undertaken:  
14 Dec 2011

Screening review statement:  
I concur that a full EINA is needed

## **EINA/EQUALITY ANALYSIS Task Group Members**

<u>Name</u>	<u>Role on Task Group</u> (e.g. service user, manager or service specialist)	<u>Contact Number</u>
1. John Sullivan-Blakeney	Chairperson – Commissioning	
2. Dionne Williams	EINA coordinator/Chair – Commissioning	07818 510694
3. Richard Doidge	BIU/Commissioning	0121 675 8668
4. Peter Glover	Legal Services	0121 464 3096
5. Jennet Hartrick	Market Manager – Home Care	0121 675 4432
6. Robert Cummins	Corporate Procurement	0121 303 6519
7. Teresa Eadon	Project Lead	0121 464 0910
8. Mohammed Majid	Finance – spend data	0121 675 5389
9. Jules Gregory	Market Manager – Care Homes	07825 318 269

## FULL EINA/EQUALITY ANALYSIS – STAGE 2

### Step 1– Scoping the Equality Impact Needs Assessment (EINA/EQUALITY ANALYSIS)

Building on the material included at the Initial Screening stage, you should begin the EINA/EQUALITY ANALYSIS by determining its scope. The EINA/EQUALITY ANALYSIS should consider the impact or likely impact of the policy, strategy, function or service in relation to all areas of our remit. The EINA/EQUALITY ANALYSIS should be proportionate to the significance and coverage of the policy, strategy, function or service.

#### 1. What data, research and other evidence or information is available which will be relevant to this EINA/EQUALITY ANALYSIS? Please tick all that apply

<b>Service Targets</b>	<input type="checkbox"/>	<b>Performance Targets</b>	<input type="checkbox"/>	<b>Service Take-up</b>	<input checked="" type="checkbox"/>
<b>User Satisfaction</b>	<input checked="" type="checkbox"/>	<b>Press Coverage</b>	<input checked="" type="checkbox"/>	<b>Census Data</b>	<input checked="" type="checkbox"/>
<b>Workforce Monitoring</b>	<input type="checkbox"/>	<b>Community Intelligence</b>	<input checked="" type="checkbox"/>	<b>Previous EINA/EQUALITY ANALYSIS</b>	<input checked="" type="checkbox"/>
<b>Complaints &amp; Comments</b>	<input type="checkbox"/>	<b>Information from Trade Unions</b>	<input type="checkbox"/>	<b>Staff Survey</b>	<input type="checkbox"/>
<b>Other (please specify)</b>	<input checked="" type="checkbox"/>				

#### Please provide details on the available evidence/information you have selected?

##### Previous EINA

A previous EINA was undertaken for the introduction of framework agreements. This document is an updated version and includes home care provision as well as care homes.

##### Census/service user Data

The Joint Strategic Needs Assessment included Census data as part of the modelling to determine future socio-demographic changes in Birmingham. In 2007 the London School of Economics completed a “Birmingham Strategic Resource Analysis” which identified the particular challenges in Birmingham.

Data and modelling regarding current and forecasted service take up across care homes and home care provision was undertaken as part of Adults and Communities rFBC. This data has been taken into consideration as well census data. However for the purposes of this Equality Analysis, updated service user data was collated by the Business Intelligence Unit to identify the profile/demography of service users who would potentially be affected by the implementation of the Framework (although it only reflects current service users). The data includes:

- Service user type breakdown
- Number of service users
- Gender (with breakdown to service user type)
- Ethnicity (with breakdown to service user type)
- Age (with breakdown to service user type)

##### Consultation

In 2011, a 3 month consultation (A vision for adult social care in Birmingham) was completed by Adults and Communities regarding changes to care services which included care home and home care provision. Part of this consultation included the implementation of Individual Budgets for all service users, which would be customer’s choice and control as to how services are commissioned. In July 2011, the findings of the Consultation were quashed following a high court ruling, however the implementation of Framework agreements was not. The Directorate has subsequently gone out to consult on a revised set of proposals as part of the Council’s 2012+ budget consultation. This consultation is still ongoing and the potential impacts are linked to the budget available to meet assessed needs. Commissioning continues to work with the market to identify quality services which can meet assessed needs, which are affordable.



As part of the proposal of moving towards framework agreements, consultation and engagement sessions with providers, health, Council colleagues and services users have been undertaken since November 2009. The Directorate has made a commitment to engage with providers over the development of any new contractual arrangements. Engagement has included workshops, meetings, seminars and receiving feedback on the framework agreement documentation itself. Further provider events are planned for early 2012 prior to the launch of the Framework Agreement.

Earlier this year representatives of a number of market providers made an application for a Judicial Review as to the fees paid by Birmingham City Council, alleging that the current fees were insufficient to deliver on the Council's duty to meet assessed need. The Court ruled that the application was premature as the Council, as a Public Body, needed to be allowed to complete its administrative functions with regard to the open book dialogue offered to the market to determine the current range of costs for care in Birmingham.

The Directorate is currently preparing a Report for Cabinet on the outcome of the Open Book process, which is scheduled for March 2012.

### **Service User Satisfaction**

The Business Intelligence Unit undertakes annual customer surveys around both internal and external home care provision across the City. The last survey undertaken in 2009 concluded a significant difference in service user satisfaction between internal and external home care provision. In addition, overall satisfaction levels for home care have dropped since 2007. Therefore the Framework Agreement in conjunction with the Quality Assurance framework will seek to improve service quality and performance of providers.

### **Service User Choice**

To effectively manage the allocation of work within the framework agreement, there is a dependency on the implementation of a function and process to support the service user in choosing and organising their care. This will include, but not limited to a brokerage function.

The Framework Agreement seeks to also facilitate service user choice by asking providers to specify and detail whether they are able to meet any specialist and/or cultural needs. This allows the opportunity for specialist/niche providers to 'showcase' their strengths and attributes. These requirements will be taken into consideration by the brokerage function when shortlisting providers to deliver the care package.

It is recognised that in some cases, specialist/niche services may mean a higher price for service delivery. Providers will not be shortlisted solely on the price of their service alone. Providers will be shortlisted based upon a combination of:

- Quality Assurance score at the point of registration onto the framework agreement
- Quality score under the mini competition process
- Price

Quality elements are weighted higher than the price score.

2. Have you identified any gaps in relation to the above question? Yes ☐ No ☒

If 'Yes' please detail including what additional research or data is required to fill these gaps? Have you considered commissioning new data or research?  
If 'No' proceed to Step 2.

## Step 2 – Involvement and Consultation

Please use the table below to outline any previous involvement or consultation with the **appropriate** target groups of people who are most likely to be affected or interested with this policy, strategy, function or service. (See Appendix 3 - for details on each target group)

Target groups	3. Describe what you did, with a brief summary of the responses gained and links to relevant documents, as well as any actions
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### Age

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham).
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates
- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009
- Home Support Combined Framework Arrangement and Specification Workshops February 2010
- Residential and Nursing Contract Customer engagement workshop – 22 November 2010

### Disability

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham)
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates

- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009
- Home Support Combined Framework Arrangement and Specification Workshops February 2010

## Gender

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham)
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates
- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009
- Home Support Combined Framework Arrangement and Specification Workshops February 2010

## Race

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham)
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates
- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009

- Home Support Combined Framework Arrangement and Specification Workshops February 2010

## Religion or belief

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham)
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates
- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009
- Home Support Combined Framework Arrangement and Specification Workshops February 2010

## Sexual orientation

- Adults and Communities Proposed Budget 2012-2013 Consultation 12 October – 6 February 2012
- 3 month Directorate consultation (A vision for adult social care in Birmingham)
- Framework for Care Homes and Home Support Consultation - 1 June 2011 - About 390 delegates
- Care Homes Framework consultation: workshop 1 - 11 October 2010 - 65 delegates (about 50 providers)
- Care Homes Framework consultation: workshop 2 - 1 November 2010 - 65 delegates (about 50 providers)
- Shaping the market for personalisation conference and exhibition - 27 September 2010 - Over 400 delegates
- Care Homes Consortia Meeting - 19 August 2010 - 9 attendees (4 providers representing Consortia)
- Home Owners Meeting - 18 November 2009 - 10 attendees (6 providers)
- Home Support Framework consultation Workshops November and December 2009
- Home Support Framework Specification consultation Workshops 1 November and December 2009
- Home Support Combined Framework Arrangement and Specification Workshops February 2010

#### **4. Who are the main stakeholders and what are their requirements?**

The main stakeholder is service providers who deliver services in Birmingham and out of area. Service providers need to know (1) how they can apply to be part of the framework, (2) how the framework will work, (3) how work will be allocated to providers and (4) how the price paid for services will be determined. Providers will be supplied with an application pack, briefing notes and workshops to fully engage with the new process.

Commissioning and Assessment Support Planning colleagues who arrange services on behalf of customers. The use of framework arrangements will fundamentally change how services are commissioned on behalf of customers. All customers who require home care or care home provision will have a choice of services determined by a short list sorted by the ICT solution which supports the framework. The ICT solution will create a shortlist based upon the customer's requirements, quality and price; information which is collected via the mini tender process. All colleagues will require ICT and new process training.

The operation of the Framework agreements will thus result in a change in practice for social workers and brokers as to how services are commissioned for service users and include an opportunity for customers to choose a provider from a shortlist of providers.

Customers, as the range of providers available for home care and care homes via a managed service, will be dependent upon the framework agreement. Customers need to know how the framework agreements determine the range of services available to them, where the Council is managing the service on their behalf.

There is the need for a clear communications and marketing strategy to ensure all equality groups have access to information and advice. The main requirement for all stakeholders is clear information about what the framework agreement is, how it can be used and where it can be sourced. If information is provided as an online service only, accessibility or the lack of could be classed as discriminatory.

Where stakeholders are participating in monitoring or feedback on the framework agreements, documents need to be provided in the relevant formats (eg different languages, Braille, large print, pictorially). Meetings have and need to continue to take account of access and facilities – carers may need to be invited for some users.

#### **5. Amongst the identified groups in the previous question, what does your information tell you about the potential take-up of resulting services?**

The framework agreements changes the way the Council commissions home care and care home services. This should not impact on how many service users 'take up' a service. It may change what range of services is potentially available to them, as opposed to relying on information known only to the social worker or broker on available services.

Commissioning has been communicating with providers on the approach to move to a framework agreement, and have received a significant amount of interest from providers; in particular new providers to the market. Commissioning undertook a pre qualification questionnaire (PQQ) exercise in 2010, which saw about 160 providers for home care alone register interest.

If providers are unhappy with a move away from current commissioning arrangements, for example contracted weekly and hourly rates; then the provider does have the choice not to apply to be on the framework agreement. Where the provider does not apply to be on the framework, they will not have access to any new work available, but will retain current customers pending a review of the customer's support plan. They will also be able to advertise their services to self funders via the Marketplace.

### Step 3 – Assessing Impact and Strengthening the Policy

#### 6. What will be done to improve access to, and take-up of, or understanding of the policy, strategy, function or service?

Commissioning will continue to engage with providers right through to the implementation of the framework via meetings, briefings and emails.

Commissioning is now developing a communications strategy to engage with the all colleagues in Adults and Communities via e-briefings and seminars.

Commissioning is also seeking to carry out further engagement sessions with customers, not solely on the framework agreements but on how information and advice on services will be available; including the marketplace, information and advice and the framework agreements.

### Step 4 – Procurement and Partnerships

#### 7. Is this project due to be carried out wholly or partly by contractors?

Yes ☒

No ☐

**If 'yes', have you done any work to include equality considerations into the contract already? Specifically you should set out how you will make sure that any partner you work with complies with equality legislation.**

Service delivery under the framework agreements will be undertaken by the social care providers. There are numerous equality clauses and corporate standing orders in relation to equality, but extending wider to DoLS, safeguarding, dignity and respect. The sections are:

- COMPLIANCE WITH RELEVANT LEGISLATION, EQUALITIES AND SAFEGUARDING
- WHISTLEBLOWING POLICY
- SAFE RECRUITMENT, CRB AND SAFEGUARDING CHECKS
- EMPLOYMENT TRAINING AND SUPERVISION OF SUITABLE STAFF
- EQUAL OPPORTUNITIES

The Birmingham Dignity Steering Group has also reviewed and added clauses to the framework agreement terms and conditions document.

Providers also have to complete questions in their application in relation to and comply with the Common Standard for Equalities in Public Procurement, These standards aim to promote racial equality amongst council contractors i.e. private sector companies that do work for the councils. In simple terms the aim of the Standard is to ensure that council contractors have a racial equality/equal opportunities policy, and that contractors implement their policy.

Providers will be asked to demonstrate how they include equality considerations as part of the quality assurance framework.

The framework agreement has also adopted the corporate Jobs and Skills policy as a means of delivering the Council's commitments in the Sustainable Community Strategy. To implement the policy commitments the Council's Adults and Communities Services is committed to working in partnership with Providers to maximise the recruitment and training of new entrants to the care industry based in and around the area where the care is being delivered.



## Step 5 – Making a Decision

### **8. Summarise your findings and give an overview of whether the policy, strategy, function or service will meet the authority's responsibilities in relation to equality and support the council's strategic outcomes?**

The framework agreement will meet the Council's responsibilities in relation to equality for customers, providers and the workforce. It seeks to remove the inconsistencies of how care home and home care provision is commissioned across the City; with clear and fair transparent processes for staff to incorporate customer choice but also equality of opportunity for providers to winning work. Further engagement needs to be undertaken with providers and service users, once the detailed processes have been agreed.

## Step 6 – Monitoring, Evaluating and Reviewing

Before finalising your action plan you must identify how you will go about monitoring the policy/function or the proposals, following the assessment, and include any changes or proposals you are making.

### **9. What structures are in place to monitor and review the impact and effectiveness of the new policy, strategy, function or service?**

This is a working document and will be updated periodically. Market impact assessments will be undertaken throughout the life of the Framework and the associated risk log will be updated.

Commissioning is introducing a quality assurance system to monitor the quality of services in the market. This will be rolled out in phases as part of the implementation of the Framework Agreement. Information will be collected and analysed by commissioning from a variety of sources including (but not limited to):

- Service user reviews
- Providers (via quarterly self assessment)
- Contract management processes
- Market place customer reviews
- CQC data
- Corporate Complaints, comments and complements

Elements of this data/information will be available to customers in order for them to make informed choices about providers.

The ICT solution which will support the Framework agreements will include management information/reporting capability which allows commissioning to review and assess how providers and the Framework is performing. This includes how the Framework is being used, spend, etc; and what services are being commissioned. Through these reports, commissioning can monitor the effectiveness of the Framework with regards to services commissioned, value for money and range of services available to meet customer's needs.

Commissioning has also introduced new contract management processes supported by ICT, to monitor the performance of contracted providers. This includes clear and defined processes as to how Commissioning will engage with the market.

## Step 7 – Action Plan

Any actions identified as an outcome of going through the Steps 1 – 6, should be mapped against the headings within the Action Plan.

**10. Taking into consideration the responses outlined in the Initial Screening Stage and Steps 1-6 of the Full Assessment, complete the action plan below.**

	Ref (if appropriate)	Actions	Target date	Responsible post holder and directorates	Monitoring post holder and directorates (if appropriate)
<b>Involvement and Consultation</b>		Further consultation and engagement with customers, providers and Adults and Communities staff	6 February 2012	Jules Gregory/ Jennet Hartrick  Adults and Communities	Dionne Williams  Teresa Eadon (from December 2011)
<b>Data Collection</b>		Management information obtained from the Care first as well as other sources to potential number and type of packages (transactions), which may come through the Framework Agreement	Ongoing	Jules Gregory/ Jennet Hartrick  Adults and Communities	Teresa Eadon
<b>Assessment and Analysis</b>		Management information from the ICT solution supporting the Framework Agreement as to the effectiveness of the mini competition Page 772 of 788	Ongoing	Jules Gregory/ Jennet Hartrick  Adults and Communities	Keith Newman



<b>Procurement and Partnership</b>		process; and that processes are being adhered to (audit)			
		The impact of micro procurement to influence the cost of services	End of January 2012	Robert Cummins CPS	Keith Newman  Robert Cummins
<b>Monitoring, Evaluation and Reviewing</b>		Programme of framework agreements performance arrangements	End January 2012	Jules Gregory Jennet Hartrick  Adults and Communities	Simon Fenton

### Step 8 – Sign-Off

The final stage of the EINA/EQUALITY ANALYSIS process is to formally sign off the document as being a complete, rigorous and robust assessment

**The policy, strategy or function has been fully assessed in relation to its potential effects on equality and all relevant concerns have been addressed.**

#### Chairperson of EINA/EQUALITY ANALYSIS Task Group

Name: Dionne Williams	Job Title: Market Manager	Directorate Adults and Communities	Sign-off Date: 05/12/2011
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Concluding statement: The implementation of a Framework Agreement for Home Support and Care Homes provides an opportunity or Adults and Communities to work differently with the market, to support the shaping of services to meet service user needs. It also allows a opportunity for providers to compete openly and fairly for packages of care demonstrating quality and value for money.

The Framework Agreement in line with the Personalisation agenda, allows service users the opportunity to exercise choice and control, whilst supported by the Directorate to make such choices. Some of these fundamental changes do come with risk, but should be managed within the management of the Framework Agreement.

**Quality Check and Review by the Directorate EINA/EQUALITY ANALYSIS Contact Officer:**

<b>Name:</b> Jim McManus	<b>Directorate Team:</b> Adults and Communities	<b>Review Date:</b> 14 <sup>th</sup> Dec 2011
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Summary of strengths and area(s) for improvement: I consider that this EINA has looked at key areas of impact, will continue to do so because of the dynamic nature of the framework agreement, and that plans are developed or developing to mitigate impact. It will be important for the group to deliver this ongoing framework.

**Service Director or Senior Officer (sign-off)**

<b>Name:</b> Elizabeth Ross	<b>Job Title:</b> Assistant Director – Operational Commissioning	<b>Date:</b> 21/12/11
<b>Name:</b> Elizabeth Ross	<b>Job Title:</b> Assistant Director – Operational Commissioning	<b>Date:</b> Amended version (Section 5) following Consultation with Cllr Brew – 11/01/2012

## **The Framework Agreement - Overview**

- 1.1 The decision to implement framework agreements for Home Care and Care Homes (with and without nursing), and to extend the current contracts, was taken by Cabinet on 14th March 2011. The decision to proceed with framework agreements and extend the current contracts was not quashed by the subsequent judgment of the High Court on 19 May 2011.
- 1.2 The Council is seeking to enter into a framework agreement with providers of regulated services registered by the Care Quality Commission. The framework agreement will establish the terms and conditions which will apply to contracts for individual citizens (Individual Placement Agreements, Individual Service Orders or Third Party Contracts).
- 1.3 This framework agreement is intended to be a transitional arrangement moving towards the Council's Future Operating Model (FOM) for commissioning adult care services, agreed as part of Adults and Communities revised Full Business Case (rFBC). Individual contracts relating to specific service users under the framework agreement will be awarded to providers through a mini competition process, based upon a quality and price assessment.
- 1.4 The framework agreement will be awarded for a two year period commencing in 1<sup>st</sup> April 2012; with a possible extension for a further period of up to two years. The extension would be based on the pace of transition towards citizens purchasing more care direct and the take up of direct payments. Timelines for this will be outlined in the proposed Government White Paper due in Spring 2012.
- 1.5 The framework agreement has been developed in partnership with Health colleagues and as mentioned in paragraph 3.2 of the main report, with providers online and via a number of workshop events. The Directorate will also have joint partnership arrangements with Health around provider performance under the framework agreement, as detailed in Schedule 7 to the framework agreement (Performance Monitoring). This effectively maintains the relationship we already have with Health on monitoring, which is supported by a Commissioning Group which regularly discusses and reviews the performance of providers.
- 1.6 As well as the main terms and conditions, the following schedules are also incorporated as part of the framework agreement:

Schedule 1	Glossary of Terms
Schedule 2	Service Specification for Home Support
Schedule 3	Service Specification for Care Homes with and without nursing
Schedule 4	Service Specification for Substance Misuse
Schedule 5	Service Specification for service users with challenging needs
Schedule 6	Allocation of work to providers
Schedule 7	Finance, pricing, invoicing and payment
Schedule 8	None take up of a support package and termination
Schedule 9	Contract Management and SRM
Schedule 10	Jobs, skills and supply chain opportunities
Schedule 11	Safeguarding
Schedule 12	Medicines Management for Home Support
Schedule 13	Medicines Management in Care Homes
Schedule 14	Falls and Injury Prevention in Care Homes
Schedule 15	Equipment provision in Care Homes
Schedule 16	Tissue Viability in Care Homes
Schedule 17	Palliative End of life care in Care Homes
Schedule 18	Nutrition and Dietetics in Care Homes with Nursing: Identifying and managing malnutrition and dehydration
Schedule 19	Training requirements for Care Homes

**Tender Structure****1.1 Needs Analysis**

- 1.1.1 The framework agreement will allow the Council to carry out its statutory duty to meet assessed need through contracting with third party providers to carry out the services to meet those needs.
- 1.1.2 The use of an open framework gives the maximum flexibility, allows new entrants into the market to offer their services and maximises choice for citizens. All providers who apply and who are registered providers with the Care Quality Commission will be appointed to the Framework.

**1.2 Procurement Route to Market and Rationale**

- 1.2.1 There was a need to have a flexible approach that would evolve as more citizens opted to manage their own requirements. The framework option allows this to happen as it gives an agreed service level and a way to monitor the performance of providers. There has been significant market engagement and a number of new providers, particularly in the area of home care support, are keen to provide a service to Birmingham.
- 1.2.2 The framework agreement provides a transparent process for the allocation of work to providers through mini competitions whilst allowing maximum choice to citizens within a financial envelope of care.
- 1.2.3 The mini competitions will work by the Council publicising the service requirements of a citizen to providers appointed to a category of supply under the framework. Providers will be asked to respond detailing how they will meet the citizen's needs and their price for delivery of the service. Provider responses will be ranked based upon a score based on quality and price. This process will be supported by a technological solution. Business Change and Service Birmingham have been leading on the identification of the technological solution.
- 1.2.4 The benefit to this approach is that individual packages will be costed based upon a citizen's needs and requirements. The risk associated with this approach is that providers could offer escalated prices. It is anticipated that by having an open framework approach and by stimulating competition, the Council will see providers being competitive with regards to quality and price. See 5.5 in Cabinet Report for risk mitigation.

**1.3 Desired Outcomes and Measures (KPI Structure)**

- 1.3.1 The outcome is to ensure that the Strategic Director of Adults and Communities commissions safe and quality services that meet citizens' needs and ensure that the Council meets its statutory duties.
- 1.3.2 The performance of providers will be regularly reviewed and evaluated in line with Commissioning Team's revised quality assurance framework, which links into the Directorate's strategic directorate business plan. Imbedded within the quality assurance framework are joint performance management arrangements with Health.

## **1.4 Spend in Scope and Budget**

- 1.4.1 The budget available for 3rd party payments to care providers in 2011/12 is £192.5 million. However, this is subject to the A&C and Corporate Consultation process currently taking place and will be impacted by financial decisions arising from such consultation.

## **1.5 Contract Duration and Tender route**

- 1.5.1 The framework agreement will have an initial term of two years with an option for the Council to extend for a further period of up to two years, resulting in a contract term of four years which is generally the maximum duration for a framework under European procurement legislation.
- 1.5.2 The structure of the framework agreement will allow for a direct payment from citizens to be made to providers or for the Council to purchase the services on behalf of citizens. It is anticipated there will be a shift to direct payments (where legislation permits) reducing administrative burden on the Council and allowing funds to be provided directly to care services.

## **1.6 Evaluation and Selection Criteria**

- 1.6.1 We have simplified the criteria for appointment to the framework so that essentially the requirement is that the provider must be Care Quality Commission (CQC) registered for the type of service they plan to offer. The reason for doing this is that citizens on direct payments and self funders can purchase services from any CQC registered provider and therefore it will ensure citizens with a managed personal budget have access to most providers.

### **Framework Agreement Tender Process**

The Framework Agreement tendering process will enable the selection of suppliers. The Frameworks will be segmented by:

- Category – Bed-based / Home-based
- Geography – Ward (Home-based only)
- Client Group – OA / LD / MH / PD. (There are additional sub-categories including dementia / sensory impairment / misuse drugs and alcohol)

The Framework Agreement tendering process will give suppliers the following statuses: Successful / Successful pending further investigation / Not successful

- 1.6.2 A performance monitoring process will be built into the framework agreement to assist citizens in assessing which provider will best meet their needs within the financial envelope available.
- 1.6.3 The Framework Agreement seeks to also facilitate service user choice by asking providers to specify and detail whether they are able to meet any specialist and/or cultural needs. This allows the opportunity for specialist/niche providers to 'showcase' their strengths and attributes. These requirements will be taken into consideration by the brokerage function when shortlisting providers to deliver the care package.
- 1.6.4 Providers will be shortlisted based upon a combination of:
- Quality Assurance score at the point of registration onto the framework agreement
  - Quality score under the mini competition process

- Price  
Quality elements that are weighted higher than the price score.

### **Mini Competition Process**

The mini-completion process will select suppliers on the basis of price and quality criteria. Overall, this will be split: Quality = 60%; Price = 40%.

*Phase 1: April – December 2012*

During the Phase 1, selection will be based on price and quality criteria relating only to the supplier's response in the mini-competition process. Quality criteria will cover minimum specific requirements, 'attributes' and qualitative descriptions as to how service user outcomes will be met, 'service user choice'.

<b>Area</b>	<b>Criteria</b>	<b>Weighting</b>
Price	N/A	40%
Quality	Attributes – specific requirements (e.g. days, language, gender, etc...)	20%
	Service User Choice – Qualitative Outcomes	40%

*Phase 2: January 2013 –*

During the Phase 2, additional quality criteria relating to historic supplier performance will be factored into the mini-completion selection process. 'Community Review' and 'Service receipt Evaluation' will be linked to the QA and Contract Management processes currently under development.

<b>Area</b>	<b>Criteria</b>	<b>Weighting</b>
Price	N/A	40%
Quality	Attributes – specific requirements (e.g. days, language, gender, etc...)	10%
	Service User Choice – Qualitative Outcomes	20%
	Community Review – Quality and Performance Indicators	15%
	Service Receipt Evaluation – Service User / Social Worker Feedback	15%

**Framework Agreement Consultation questions and Responses****Frequently Asked Questions (FAQs)**

Adults and Communities is currently in the process of moving from current contract agreements for Home Care and Care Homes to a Framework agreement.

This is a period of change for both the council and providers. To provide information specifically to providers, this document has been produced. This document includes the most frequently asked questions by providers about the framework, with a response from the Council.

If you have any further questions, please let us know via [shapingthemarket@birmingham.gov.uk](mailto:shapingthemarket@birmingham.gov.uk). Any questions will be added to this document.

<b>Question category</b>	<b>Question</b>	<b>Answer</b>
General	What is the reason for these frequently asked questions (FAQs)?	The council is aware that providers are keen to know as much as possible about the new framework agreements for home care and care homes. The council has received a number of enquiries from providers and so thought it would be helpful to produce this document. This document will be updated on a periodic basis.
Framework approach	Why has the Council decided to move to using framework agreements? What is wrong with the way services are currently contracted?	In line with the Personalisation agenda, the council is seeking to adopt approaches which offer customers choice and control. Commissioning is adopting framework agreements as it allows a more flexible approach to commissioning services that meet an individual's assessed eligible need, as opposed to for example, a block contract. A framework agreement does not commit the council to purchase any volume of work from any one provider, but it allows the council and customer to select an appropriate service from a potentially wider range of providers. Framework agreements are a positive way of commissioning services as it provides more choice for customers and an open and transparent commissioning process for the Council and providers.

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Question category	Question	Answer
Framework approach	So providers are signing up to a framework agreement? What is the difference between a framework agreement and a framework contract?	A framework agreement sets out the terms and conditions under which specific purchases (call-offs) can be made throughout the term of the agreement. Following a mini tender process, the Individual Placement Agreement (care homes) and Individual Service Order (home care) will determine the specifics of how the service for the customer will be delivered. A framework contract is where a formal document which places an obligation, in writing, to purchase goods, works or services for mutual consideration.
Framework approach	What is the reason behind combining the contracts for care homes and home care? Will they all fall within the same tender? The two different types of services have very different requirements; will having a contract cause confusion?	The council has traditionally contracted for care homes and home care separately. Although they are different services, the majority of the contractual terms and conditions are the same. The difference in services is reflected in separate service specifications. We also have a number of providers who provide both care home and home care services. Therefore to streamline processes for both the council and the provider, the decision was taken to jointly commission both services.
Framework approach	What is the duration of the framework?	The framework will start on 2 April 2012 and run until March 2014. The framework can also be extended for up to two years, one year at a time.
Framework approach	Will the council still commission block contracts with providers?	The council is seeking to move away from block contracting with providers as: (1) it doesn't align to customer choice (2), we will not be paying for voids, and (3) the budget will be distributed via Individual Budgets. If the council wishes to use block contracts in the future, then normal Council Corporate procurement rules will apply.
Framework approach	We are concerned that the Council is consulting on a framework agreement in the absence of a revised Resource Allocation System and Personalisation	On 19 <sup>th</sup> May 2011 the High Court ruled in respect of the Judicial Review regarding Adults and Communities' Universal Resource Allocation System and the 2011/12 Budget. The following decisions were quashed: Page 780 of 788



Question category	Question	Answer
	<p>approach, the Council has announced that it is reviewing how these key themes will be implemented following recent Judicial Reviews. The RAS is subject to the next consultation due from September to December 2011. How can Providers agree to or indeed give feedback on something not yet understood / agreed? Consultation on the Framework therefore is premature and that a further consultation period should be provided when a comprehensive approach to the market has been finalised.</p>	<ul style="list-style-type: none"> <li>• the New Offer for Adult Social Care</li> <li>• the proposals for the funds transferred by the NHS under Section 256 of the NHS Act 2006</li> <li>• the adoption of an <u>Universal</u> Resource Allocation System</li> <li>• the adoption of the revised eligibility criteria and operational principles</li> <li>• the Equalities impact of the above recommendations</li> </ul> <p>The only decision which was not quashed was to implement the savings agreed in the Council Plan with respect to care fees paid to third parties and the extension and management of existing agreements pending introduction of new framework agreements.</p> <p>The council did previously and still does have a resource allocation system (RAS), which allows it to calculate an Individual Budget which is an indicative amount, subject to moderation, to provide the support to meet the users assessed eligible need. As part of the framework agreement, there will no set contracted rates. The rate the Council will pay for services will be driven by the market, via a mini competition process. A Moderation process will ensure that there is sufficient funding available to provide services that support assessed eligible needs.. The Court when making its judgement did not amend the Council budget, so it still has a reduced cash envelope to work to. But fundamentally, the price that will be paid to providers will be determined by the market and that is why the Council believes that consultation and implementation of the framework agreements can continue. Whether the eligibility criteria changes or not, the Council will still need a mechanism to purchase services from providers.</p>

Applying for the framework	How do providers apply to be on the framework?	Providers will be asked to complete an application form and submit it electronically. The application form will ask various questions about the company as well as information about the services it provides. Some of the questions which will relate to the quality of services will be scored. The framework opportunity will be advertised on Find it in Birmingham ( <a href="http://www.finditinbirmingham.com">http://www.finditinbirmingham.com</a> ). Find it in Birmingham is an online portal that advertises contracts and tenders from both public and private sectors. The Council will notify all providers known to them when the advert is live and where to find the framework application form.
Applying for the framework	I am currently contracted with the council and have a number of customers who are council funded. What happens if I do not apply for the framework?	Current customers would remain with you until a reassessment of their needs is undertaken by the council. A discussion would then take place as to whether the service should be taken over by a provider on the framework, taking into consideration the needs and circumstances of the individual customer. You would not be offered any new services once the framework has started.
Fees	How does the open book programme currently being undertaken by the Council inform fees both now and for the new contracts?	It has no impact on the new Framework Agreements. The open book approach relates to fees levels attached to the current contract agreements(for year 2011/12. The services for new customers as at the start of the new framework agreements and subsequently customers going through a support plan review, will be subject to the terms and conditions of the framework agreements.
Fees	The current draft of the framework agreement (dated 30 May 2011) does not set out any agreements for annual review of fees nor how 'fair fees' will be agreed. Given the agreement that the Council will establish a clear process for fee setting, this should be clearly set out within the contract.	There are no contracted rates within the framework agreement. The price the council will pay for services will be determined by the market via a mini tender process. Therefore there are no annual fee levels to be reviewed.

Fees	I am already contracted with the Council to deliver services. How logistically will a customer who has a set contracted rate move across to a fee set by a Personal Budget?	Where a customer has a service determined by a set council rate or fee, the council will continue to pay that amount until the customer undergoes a reassessment. At that stage, the customer's individual budget will be re/calculated. At the point of the new/revised service, its delivery will be under the terms and conditions of the framework agreement. A new individual placement agreement (care homes) or individual service order (home care) would be initiated to commence the new/revised service. However, any change in service provision will be discussed and agreed with the service user and/or their family as appropriate.
Resource Allocation System (RAS)	What is the RAS and how does it work in Birmingham?	<p>The purpose of the Resource Allocation System (RAS) is to provide a clear and rational way to calculate how much money a person is likely to need to arrange appropriate support to meet their assessed eligible needs. The estimated individual budget is calculated through the RAS calculator and points allocated to questions within the SAQ.</p> <p>If there is a variation in the estimated budget and the cost of providing appropriate services which includes, if applicable, the sustainability of the carer, and there is no alternative support to the service user, then the individual budget would be moderated accordingly.</p>
Marketing	Can the council assist me with marketing my organisation's services?	The Council will be launching a new Marketplace where providers can market their goods and services to all customers, including self funded customers. You would have control over the content of your advert using headers already defined, so customers can make comparisons between providers. Customers will also be able to leave feedback on your services. The council will use the Marketplace to provide information and advice to all customers about services and goods. The Marketplace will be live from Spring 2012 and providers will receive information about how to register.

New ways of working	You have been telling providers that you will be using technology to support the new framework agreement. What does this mean and what implications does this have for providers?	The council will be using an electronic system to manage the framework. This system will house information about the provider, for example company details, and will also be used to store any communications between the council and the provider. It will also use an electronic system to manage the mini tender process for the allocation of work. The electronic system will help the council to select which providers will receive the opportunity to bid for work using a criteria based upon quality and price.
New ways of working	If Birmingham is moving to a computer based system will I still be able to talk to a real person?	Yes. We will be implementing supplier relationship management model to work with providers directly. We will also be facilitating forums and events for providers to ensure regular communication channels.
Personalisation	Is Personalisation affordable in the current financial climate?	Yes. Personalisation is not primarily a money saving exercise, but research shows people will only spend their money, both their own resources and their Individual Budgets, on support that they consider to be better value for money and which meets their assessed eligible needs. Where the council is purchasing services on behalf of the customer, it will still seek to offer a choice of services to a customer, taking into consideration the indicative RAS amount to meet the customer's needs and subject to moderation.
Personalisation	Doesn't choice cost?	Choice is about having imaginative support planning together with the availability of a wide range of providers capable of meeting assessed eligible needs.. There are costs associated with choice for both providers and commissioners (e.g. transaction costs) but these are balanced by the benefits e.g. innovation and more effectively meeting citizens needs.
Personalisation	Personalisation may increase the risk of abuse because for example, it encourages the use of new types of services such as personal assistants, which are not necessarily regulated. How will we keep people safe in this new way of working?	The assessment and support plan processes already takes risk into account. The evidence (local and national) does not support the premise that personalisation increases risk.

Personalisation	What if customers cannot afford their choice of services following their allocation of money?	In agreeing the allocation of money to a customer (individual budget), there will have been a moderation process to ensure that the customer's needs can be met in the marketplace with the amount given. A cornerstone of personalisation is enabling customers to make an informed choice about what services are available to meet their needs, and tools such as the marketplace will offer information to the customer about what services and support is available.
Personalisation	I keep hearing about personal budgets. How does this impact on the amount providers will be paid?	The amount paid to providers will be driven and determined by the mini tendering process on an individual micro procurement basis.
Personalisation	There are clearly risks associated with Personalisation for providers?	Yes there are risks if providers don't adapt, but personalisation may also bring opportunities. Personalisation represents a big change for Adults and Communities, customers and providers. It is difficult to predict exactly how the marketplace will be affected. However, the Council is committed to working with providers and customers to co-produce services that deliver outcomes for customers within the financial constraints of the current climate.
Personalisation	The Council is trying to enable customers to have choice, but who is going to help customers to make choices? Not everyone will be able to exercise choice on their own.	There will be services in the Marketplace to assist customers in making choices about the type of support to best meet their needs. There will be services that support customers to navigate the care system, for example support brokerage. Many third sector organisations offer information, advice and guidance and so are well placed to offer guidance if customers need it. In addition to this, the council will continue to manage the service on behalf of customers who do not have capacity to make choices for themselves.
Personalisation	Will customers be able to choose exactly what they want?	Customers will have a choice of services that meet their needs and that are within the budget allocated to them.



<b>PUBLIC</b>		
<b>Report to</b>	<b>CABINET</b>	
<b>Report of:</b> <b>Date of Decision:</b>	<b>Strategic Director for People</b> <b>16<sup>th</sup> February 2016</b>	
<b>SUBJECT:</b>	<b>FRAMEWORK AGREEMENTS EXTENSION FOR ADULTS' SERVICES AND CHILDREN'S HOME SUPPORT (C0074)</b>	
<b>Key Decision: Yes</b>	<b>Relevant Forward Plan Ref: 001207</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 Stewart Stacey – Commissioning, Contracting &amp; Improvement</b> <b>Councillor Paulette Hamilton – Health and Social Care</b> <b>Councillor Brigid Jones – Children's Services</b>	
<b>Relevant O&amp;S Chairman:</b>	<b>Councillor Waseem Zaffar – Corporate Resources</b> <b>Councillor Majid Mahmood – Health and Social Care</b> <b>Councillor Susan Barnett - Education and Vulnerable Children</b>	
<b>Wards affected:</b>	<b>All</b>	

<b>LATE REPORT</b>
<p><b>Reasons for Lateness</b></p> <p>This report contains detail about the proposal for a Birmingham Care Wage referred to in both the 'Draft Council Business Plan &amp; Budget 2016+' report and the 'Living Wage Update' report elsewhere on the Cabinet agenda.</p> <p>There has been a need to co-ordinate all three reports which has meant that this report could not be completed on time.</p>

