

BIRMINGHAM CITY COUNCIL**PUBLIC REPORT**

Report to:	CABINET	Exempt information paragraph number 3
Report of: Date of Decision:	Strategic Director for Change and Support Services 18th October 2016	
SUBJECT:	SERVICE BIRMINGHAM REVENUES CONTRACT	
Key Decision: No	Relevant Forward Plan Ref:	
If not in the Forward Plan: (please "X" box)	Chief Executive approved x O&S Chairman approved x	
Relevant Cabinet Member(s)	Cllr Ian Ward - Deputy Leader Cllr Majid Mahmood - Cabinet Member for Value for Money and Efficiency	
Relevant O&S Chairman:	Councillor Mohammed Aikhlaq Corporate Resources and Governance	
Wards affected:	All	

1. Purpose of report:
1.1 This matter was not included in the Forward Plan in order for the relevant negotiations to take place in a timescale giving sufficient time for the Council to make any decisions without this impacting upon the annual billing cycle of Council Tax and Business Rates and the collection of these taxes.
1.2 To seek Cabinet approval to negotiate with Service Birmingham in order to evaluate the Council's contractual options for the termination of the Revenues element of the Service Birmingham Contract.

2. Decision(s) recommended:	
That Cabinet:	
2.1 Notes the contents of this report	
Lead Contact Officer(s):	Chris Gibbs
Telephone No: E-mail address:	464 6387 Chris.gibbs@birmingham.gov.uk

3. Consultation

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

3.1 Internal

The Leader of the Council, and the Cabinet Member for Transparency, Openness and Equality, the Leader and Deputy Leader for the Conservative Group and the Leader for the Liberal Democrat Group, the Chief Executive and the Strategic Director for Change and Support Services, Strategic Director for Legal and Finance. They are supportive of the recommendations

3.2 External

Not applicable

4. Compliance Issues:

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

The Council's key priorities of prosperity and a strong economy are intrinsically linked to this decision. Approximately £750m of Council Tax and Business rates per annum is collected within the scope of this contract and the maximisation of the taxable base together with the realisation of the collection of these taxes is vital to the ongoing viability of the City Council's budget. In addition to this, how the Council applies its policies in relation to the collection of business rates and council tax has a direct impact upon the livelihood of both citizens and businesses within Birmingham.

4.2 Financial Implications

The negotiations will be contained within the current Revenues Service budget provisions.

Further details are contained in the Private report.

4.3 Legal Implications

Under Section 3 Local Government Act 1999 the Council as best value authority must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

4.4 Public Sector Equality Duty (see separate guidance note)

An initial screening has indicated that there are no contra indicators in relation to the Council's public sector reporting duty in relation to this decision.

5. Relevant background/chronology of key events:

- 5.1 The Revenues Service was included within the overall Service Birmingham contract from 1st April 2011. At this point, the Council collected Business Rates on behalf of the Government and the relevant pooling arrangements applied for the financial distribution of this income were in place. The contract was let on the basis of a fixed price per annum (plus indexation) on a reducing basis over a ten year term.
- 5.2 From April 2013 Council Tax Benefit was replaced with a Local Council Tax Support Scheme. The local retention of Business Rates also came into effect.
- 5.3 An internal review of the Revenues Service was undertaken by the Service Director of Customer Services Division in June 2016, with performance and outcomes being examined.
- 5.4 Following this review it was determined by the Strategic Directors of Change and Support Services and Finance and Legal that further work needed to be undertaken with Service Birmingham to ensure that the Revenues Service was delivering a service that both met the priorities of the City Council and achieved the contractual requirements. Service Birmingham put forward alternative proposals during July and August these were considered and it was concluded that they did not meet the current requirements of the Council.
- 5.5 Having now concluded this work it is recommended that the Strategic Director of Change and Support Services negotiate with Service Birmingham in order to evaluate the Council's contractual options for the termination of the Revenues element of the Service Birmingham Contract. It is, therefore, recommended that the Council should negotiate with Service Birmingham to identify the best option for the Council in the termination of the Revenues element of the Service Birmingham Contract.

6. Evaluation of alternative option(s):

- 6.1 Remain with the existing Revenues contract – this was discounted as the review carried out by the Council concluded that the options available under the current Service Birmingham contract (as described in 5.4) did not meet the requirements of the Council

7. Reasons for Decision(s):	
7.1	The decision to terminate the Revenues Services within the Service Birmingham Contract is due to the need of the Council to achieve best value.
7.2	The Council will be able to take greater control and allow the maximisation of the tax base through new approaches, by identifying those properties and businesses currently avoiding tax.
7.3	By taking greater control, the Council will be able to apply flexibility and discretion to the collection of debt owed by those customers receiving Local Council Tax Support and to prevent these customers becoming burdened with unmanageable debt.

Signatures	<u>Date</u>
Deputy Leader Cllr Ian Ward
Cabinet Member - Value for Money & Efficiency Cllr Majid Mahmood
Strategic Director – Change & Support Services Angela Probert

List of Background Documents used to compile this Report:

List of Appendices accompanying this Report (if any):
1. 2. 3. 4. 5.

Report Version	V6.1	Dated	06/10/2016
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PROTOCOL PUBLIC SECTOR EQUALITY DUTY

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

Equality Act 2010

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

The public sector equality duty is as follows:

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