

**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**

**ECONOMY, SKILLS AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE**

**THURSDAY, 14 DECEMBER 2017 AT 14:00 HOURS**  
**IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1 1BB**

**A G E N D A**

**1 NOTICE OF RECORDING/WEBCAST**

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

**2 APOLOGIES**

**3 - 6**

**3 ECONOMY, SKILLS & TRANSPORT: ACTION NOTES 16 NOVEMBER 2017**

To confirm and sign the Action Notes of the meeting held on the 16 November 2017.

**7 - 26**

**4 REVIEW OF AVERAGE SPEED ENFORCEMENT CAMERAS PILOT**

Mel Jones, Travel and Behaviour Change Manager and Councillor Stewart Stacey, Cabinet Member for Transport and Roads

**27 - 74**

**5 BUDGET CONSULTATION**

Councillor Brigid Jones, Deputy Leader, Councillor Stewart Stacey, Cabinet Member for Transport & Roads and Councillor Brett O'Reilly, Cabinet Member for Jobs and Skills

6 **ECONOMY, SKILLS & TRANSPORT COMMITTEE WORK PROGRAMME**

To note the work programme for discussion.

7 **REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS RECEIVED (IF ANY)**

To consider any request for call in/councillor call for action/petitions (if received).

8 **OTHER URGENT BUSINESS**

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

9 **AUTHORITY TO CHAIRMAN AND OFFICERS**

Chairman to move:-

'In an urgent situation between meetings, the Chairman jointly with the relevant Chief Officer has authority to act on behalf of the Committee'.

## BIRMINGHAM CITY COUNCIL

# ECONOMY, SKILLS AND TRANSPORT O&S COMMITTEE

1400 hours on 16<sup>th</sup> November 2017, Committee Rooms 3&4 – Actions

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**Present:**

Councillor Zafar Iqbal (Chair)

Councillors David Barrie, Zaker Choudhry, Liz Clements, Phil Davis, Mahmood Hussain, Timothy Huxtable, Ziaul Islam, John O'Shea and Ken Wood

**Also Present:**

Ian MacLeod, Assistant Director, Planning

Doug Lee, Doug Lee, Development Planning Manager

Stuart Wiltshire, Principal City Designer

Baseema Begum, Research & Policy Officer, Scrutiny Office

Rose Kiely, Overview & Scrutiny Manager, Scrutiny Office

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### 1. NOTICE OF RECORDING

The Chairman advised that this meeting would be webcast for live or subsequent broadcast via the Council's Internet site (which could be accessed at "[www.birminghamnewsroom.com](http://www.birminghamnewsroom.com)") and members of the press/public may record and take photographs.

The whole of the meeting would be filmed except where there were confidential or exempt items.

### 2. APOLOGIES

An apology was received from Councillor Sir Albert Bore. Councillor Zaker Choudhry submitted an apology for lateness.

### 3. ECONOMY, SKILLS AND TRANSPORT: ACTION NOTES 19<sup>TH</sup> OCTOBER 2017/ISSUES ARISING

The Chair, Cllr Iqbal confirmed progress on outstanding actions from the Committee's previous meetings:

- A briefing note for Committee on the actions taken to improve safety in respect of the Pershore Road/Edgbaston Road junction for cyclists and pedestrians was circulated on 19 October.
- A briefing note for Committee on the costs of enforcing parking is currently in progress.
- Officers in the parking section are investigating Cllr Choudhry's request about what the City Council can do to ensure that residential roads near to the area of Tesco (Swan Island) are not blocked all day by staff members parking on them.
- A briefing note was circulated on 19 October with regards to the Erdington Parking Scheme.

#### **4. EAST BIRMINGHAM AND NORTH SOLIHULL REGENERATION STRATEGY - UPDATE**

Ian MacLeod, Assistant Director, Regeneration took the Committee through the presentation (see document 1). He confirmed that the evidence base is now completed and summaries all the challenges. This will now be used to develop a strategy to address all of the long-term complex issues in greater depth than previously.

During discussion and in response to Members the following points were made:

- Work is being done to ensure that all issues including health and education as well as social and economic issues are linked to the full growth strategy and this is therefore having an impact on progressing some of the work relating to housing and installation of the Metro system.
- The City Council are working closely with Transport for West Midlands and transport providers. The SPRINT bus on the A38 to Langley is a high priority for delivery. There are currently two options for consideration on the route to the city centre due for the end of December.
- There are 7 stations in the West Midlands area that are a priority. Transport connectivity issues will be discussed with responsible colleagues.
- There needs to be more employer involvement and engagement in schools. This is an area that can be improved in terms of bringing schools and employers together to ensure that schools are geared up in providing a future workforce that has the necessary skills to take up the jobs that will be created and needed in local areas.
- It is imperative that funding programmes need to be longer than a period of 3 years to make an impact and difference to local communities as it takes a considerable amount of time to bed-in a new programme before you can actually see results.
- It is important to attract first and second tier supplier companies especially in training young people and upskilling and offering apprenticeships to local people.
- Ensure that major policy initiatives of the City Council are part of the strategy going forward for instance access to jobs in the Tyseley Environment Enterprise District.

- Communicating with local people about the opportunities coming up is equally important as many people are not aware of what will be on offer in terms of skills and jobs.

**RESOLVED:-**

1. That a further update report is provided in the new municipal year including picking up the issue of adequacy of availability of school places in the area in response to a query raised by Members.

**5. BIRMINGHAM DESIGN GUIDE – DRAFT FOR CONSULTATION**

(See document No 2)

Stuart Wiltshire outlined key points from his report specifically that:

- The period of consultation of six weeks on a 'Vision' document was completed on 6<sup>th</sup> November and all members were included in this.
- With the adoption of the Birmingham Development Plan earlier this year and the investment the city is witnessing it was felt that it was an appropriate time for the City Council to refresh and update its planning guidance relating to design of developments across the city. As part of this a new Design and Conservation Review Panel will be set up to implement the policy.
- The new Design Guide will replace all the current area based policies and documents and it contains five big design themes.
- Comments received as part of the consultation will be translated into a summary document and will be fed into the drafting of the Design Guide later next year. Another period of consultation will take place asking for comments on the draft before it is formally adopted by the City Council.

During discussion with Members the following points were made:

- The initial feedback to the consultation has been positive and there is general support for the proposals.
- There is a Terms of Reference for the proposed Design and Conservation Review Panel. The code of conduct will be the same as it is for Planning Committee. There will be an appropriate balance of professionals but the key is achieving a balance with others that wish to be involved as appropriate.
- Those with disabilities/mobility issues and representative groups have been consulted with.
- The policy on conservation is contained within the overarching policy of the Birmingham Development Plan. The majority of conservation areas have conservation area management plans and assessments.

**RESOLVED:-**

1. Councillor Wood requested a breakdown of responses to the consultation by actual numbers rather than percentages.
2. An update report is presented to this Committee in Summer 2018 after the next consultation period and before the Guide is presented to City Council for adoption.

**6. WORK PROGRAMME FOR THE ECONOMY, SKILLS AND TRANSPORT OVERVIEW AND SCRUTINY COMMITTEE 2017-18**

(See document No 4)

Councillor Clements requested that as part of the item on European Funding scheduled for the March meeting that this item also covers the strategic approach to regeneration in light of the Brexit negotiations in the area.

The Committee agreed to invite the Leader of the Council to a future meeting to discuss the cost implications of hosting the Commonwealth Games.

Councillor O'Shea requested that the Chair write to the Parliamentary Committee on the regional impact of Brexit. In particular referencing what studies exist on the economic impact.

**RESOLVED:-**

1. The item on European Funding scheduled for the March meeting is expanded to include a discussion on the impact of Brexit negotiations to the region.
2. The Leader is invited to a future meeting to discuss the cost implications to the City of hosting the Commonwealth Games.
3. The Chair to write to the Parliamentary Committee on the economic impact of Brexit to the region.

**7. REQUEST(S) FOR CALL IN/COUNCILLOR CALL FOR ACTION/PETITIONS**

None.

**8. OTHER URGENT BUSINESS**

None.

**9. AUTHORITY TO CHAIRMAN AND OFFICERS**

Agreed.

**RESOLVED:-**

That in an urgent situation between meetings the Chair, jointly with the relevant Chief Officer, has authority to act on behalf of the Committee.

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The meeting ended at 1624 hours.

**Transport Economy and Skills Overview and Scrutiny Committee**  
**Thursday 14 December 2017**

**Average Speed Enforcement (ASE) Camera Project Progress Update and  
Initial Evaluation  
Supplementary Briefing Note**

**1. History of Speed Enforcement**

West Midlands Police (WMP), working with local authorities, carried out speed enforcement using fixed site wet film cameras and mobile cameras for several years until March 2013 through the West Midlands Casualty Reduction Partnership. Around 300 fixed camera sites were in use across the West Midlands until March 2013. Working camera equipment (approximately 50 units) was rotated across camera housing sites, with active enforcement prioritised according to traffic flows and road traffic collisions.

Since 2010, direct funding to local authorities for road safety schemes has been cut and in 2011 the West Midlands Casualty Reduction Partnership was disbanded, though officer level coordination of Road Safety activity continued via the West Midlands Road Safety Group, and other local forums including the Birmingham Road Safety Partnership.

In April 2013 all the fixed traffic violation cameras within the West Midlands were switched off (a joint decision by WMP and all the local authorities). This was primarily due to the age and obsolescence of the equipment. However, the camera housings were left in situ, and continue to act as a deterrent. Since then, WMP have continued to carry out speed enforcement through mobile enforcement vans and vehicle patrols.

**2. ASE Pilot and Anticipated Benefits**

In October 2012 Birmingham City Council commissioned a review to explore options for taking forward speed enforcement camera operation. This concluded that ASE cameras presented the best option going forward and that a trial be undertaken.

BCC, Solihull Metropolitan Borough Council (SoMBC) and WMP agreed to go undertake a pilot ASE project on behalf of the West Midlands local authorities.

Based on the review, the pilot ASE was expected to deliver the following benefits:

- Improved speed limit compliance / speed reduction;
- Improved road safety (consequent reduction in the number and severity of Road Traffic Collisions – RTC); and
- Improve drivers' behaviour/speed limit compliance over a larger area.

The pilot project also allowed an opportunity to upgrade ageing infrastructure with the potential to expand to other sites with minimum costs. Finally, it presented WMP with an opportunity to improve back office operational efficiencies in terms of processing infringements.

BCC, SoMBC and WMP agreed to undertake a pilot ASE project on behalf of the West Midlands local authorities.

Following a procurement exercise for the system and camera equipment, ASE cameras were installed at eight sites (five in Birmingham and three in Solihull) and went 'live' in August 2016. The

capital cost of the scheme for the Birmingham sites was approximately £300,000 funded from Integrated Transport Block funding within the Transportation Capital Programme (2015/16).

The camera site locations are shown below in Table 1.

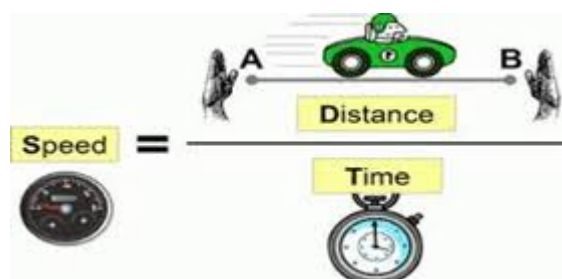
**Table 1: ASE Camera Sites**

Road	Authority	Length (miles)	Speed Limit (mph)
A38 Bristol Road	Birmingham	0.30	30
A456 Hagley Road	Birmingham	1.74	30
A45 Coventry Road	Birmingham	0.87	40
A4540 New John Street	Birmingham	0.12	30
A34 Newtown Row	Birmingham	0.37	30
B4114 Bradford Road	Solihull	0.25	30
B425 Lode Lane	Solihull	0.37	30
A3400 Stratford Road	Solihull	0.56	30

### 3. How does ASE work?

A vehicle's average speed is measured by a pair of Automatic Number Plate Recognition (ANPR) cameras between two points (one at entry and one at exit). Number plates of vehicles are read by the ANPR cameras, and the system measures the time for each vehicle to travel between these two points over a defined distance and converts it to speed using a simple equation (speed equals distance divided by time taken) as shown in figure 1 below.

**Figure 1. – Speed Calculation Formula**



Once an 'activation' is generated by the ASE cameras, the images of offending vehicles are automatically sent to the back office system where WMP staff check and process an evidence pack for each offence.

Not all ASE cameras are live at any one time. Live sites are rotated on a monthly basis – this is done from the back office and does not require any work at camera sites (BCC/SoMBC do not know which sites are live). The ASE cameras themselves require annual maintenance and as per Home Office Type Approval (HOTA) requirements are also recalibrated on a yearly basis.



#### 4. Evaluation Criteria

The evaluation criteria for the 1 year period (August 2016 – September 2017) of the ASE are primarily based on speed reduction.

Collision data has been considered but has not been evaluated, as the project period is relatively short (one year) and a before and after comparison would not be robust (standard practice for road safety analysis usually takes into account a minimum of three years' RTC). A later evaluation will be undertaken to assess the impact of ASE on RTCs, however the sites chosen for the ASE pilot previously had GATSO cameras which will have already had an impact on RTCs in those locations – therefore the overall reduction in collisions would be expected to be lower than if ASE were installed in locations that previously had no speed enforcement.

#### 5. Pilot Results – Speed Reduction

The before and after 85<sup>th</sup> percentile speed was compared at the sites that ASE was implemented as shown in Table 2 below. The 85th percentile speed is the speed at or below which 85% of vehicles are observed to travel. This data was provided by WMP and was captured by pneumatic counting devices. (NB the ASE system itself also provides speed data, but since the 'before' data could not be collected in this way, in order for the comparison to be exact the 'after' data was collected in the same way).

Before ASE data was collected over a one week period in April 2016. After ASE data was collected over a number of one week periods during April, May and August 2017.

**Table 2. Before and After ASE Speed (85<sup>th</sup> %ile) Comparison**

Site	Speed Limit (mph)	85th%ile Speed before ASE (mph)	85th%ile Speed after ASE (mph)	Speed Reduction (%)
A38 Bristol Road Site 928	30	39.8	32.2	-19.10
A456 Hagley Road Site 924 (WB)	30	38.5	32.2	-16.36
A456 Hagley Road Site 925 (EB)	30	39.4	31.5	-20.05
A45 Coventry Road Site 926 (WB)	40	47.9	40.5	-15.45
A45 Coventry Road Site 927 (EB)	40	N/A	41.2	N/A
A4540 New John Street Site 178 (EB)	30	40.5	32.9	-18.77
A4540 New John Street Site 179 (WB)	30	38.9	32.4	-16.71
A34 Newtown Row	30	39.8	33.6	-15.58
B4114 Bradford Road Site 334 (EB)	30	38	32	-15.79
B4114 Bradford Road Site 336 (WB)	30	N/A	31.3	N/A
B425 Lode Lane Site 326 (NB)	30	33.6*	32.7	-2.68
B425 Lode Lane Site 327 (SB)	30	34.2*	33.1	-3.22
A3400 Stratford Road Site 2313 (NB)	30	38	32.9	-13.42
A3400 Stratford Road Site 2314 (SB)	30	38.5	31.8	-17.40

\*Dec 2014

As shown within this table, the 85<sup>th</sup> percentile speed was reduced at all sites after the implementation of ASE. Before ASE data was not available for A45 Coventry Road Site 927 and B4114 Bradford Road Site 336, therefore the speed reduction could not be calculated.

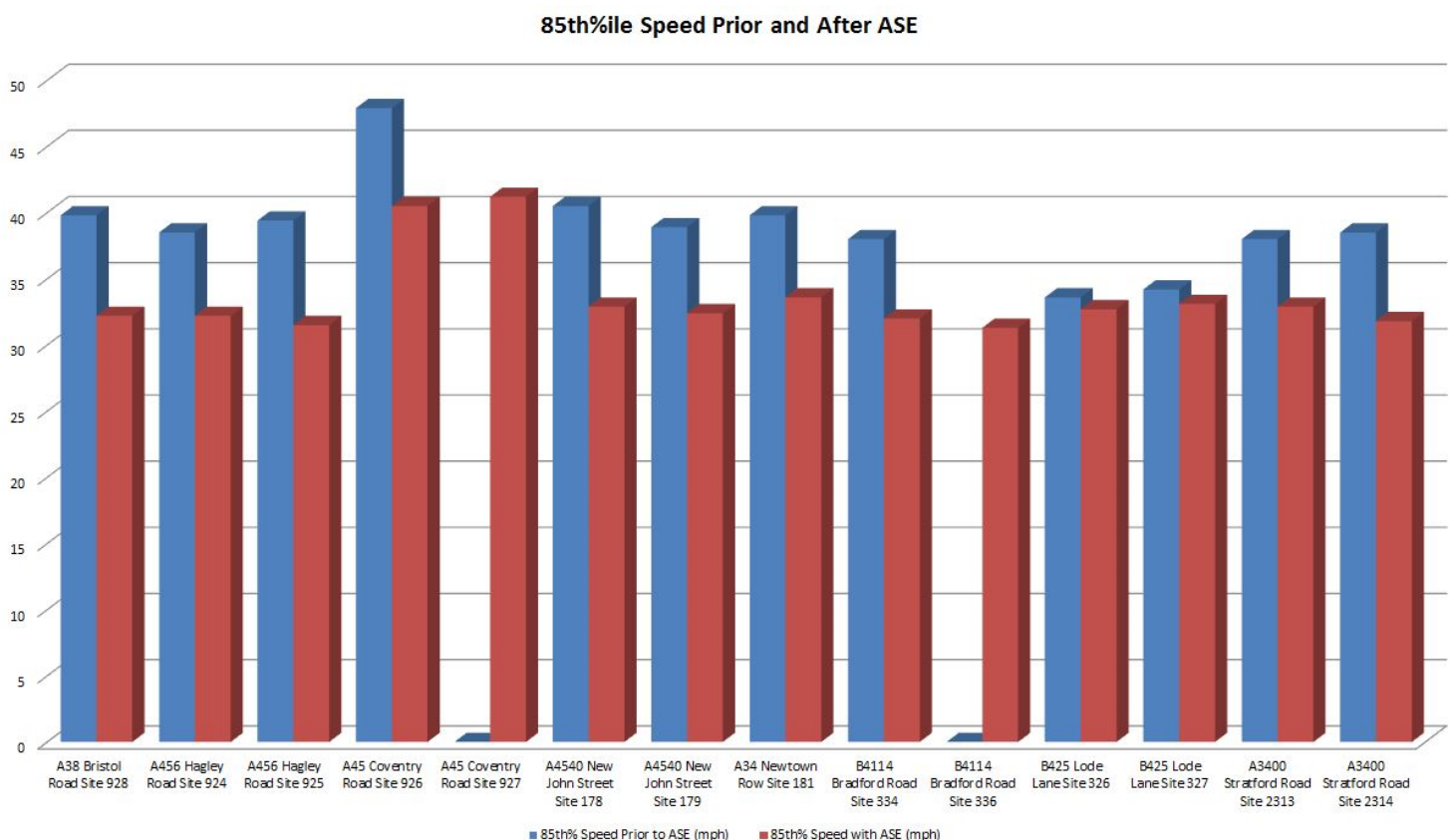
With the exception of B425 Lode Lane (Solihull), significant speed reductions (above 13%) were also observed at all sites.

The biggest reductions are shown at Site 925 A456 Hagley Road (-20.05%), followed by A38 Bristol Road (-19.10%) and A4540 New John Street Site 178 (-18.77%). The main reason for this big reduction is that those were the sites with the poorest speed limit compliance and since the implementation of ASE, a significant difference in driver behaviour has been observed.

B425 Lode Lane shows the lowest level of speed reduction due to the relatively good speed limit compliance at this location before ASE was implemented.

The results are also presented in a graphical form in Figure 2. below.

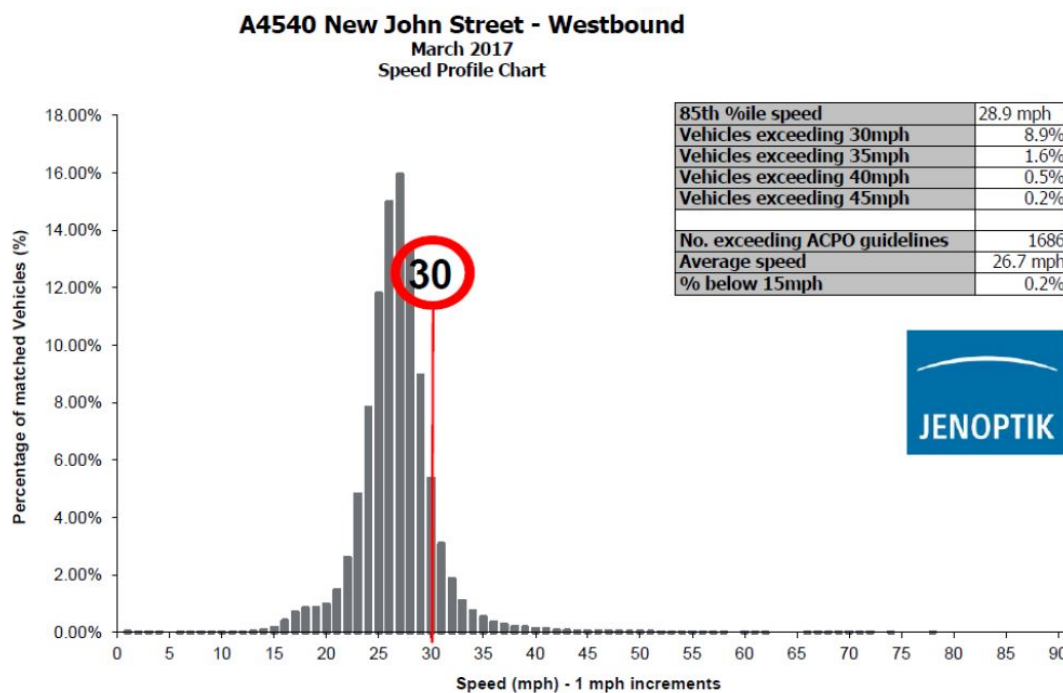
**Figure 2. - Before and After ASE Speed (85<sup>th</sup> %ile) Comparison**



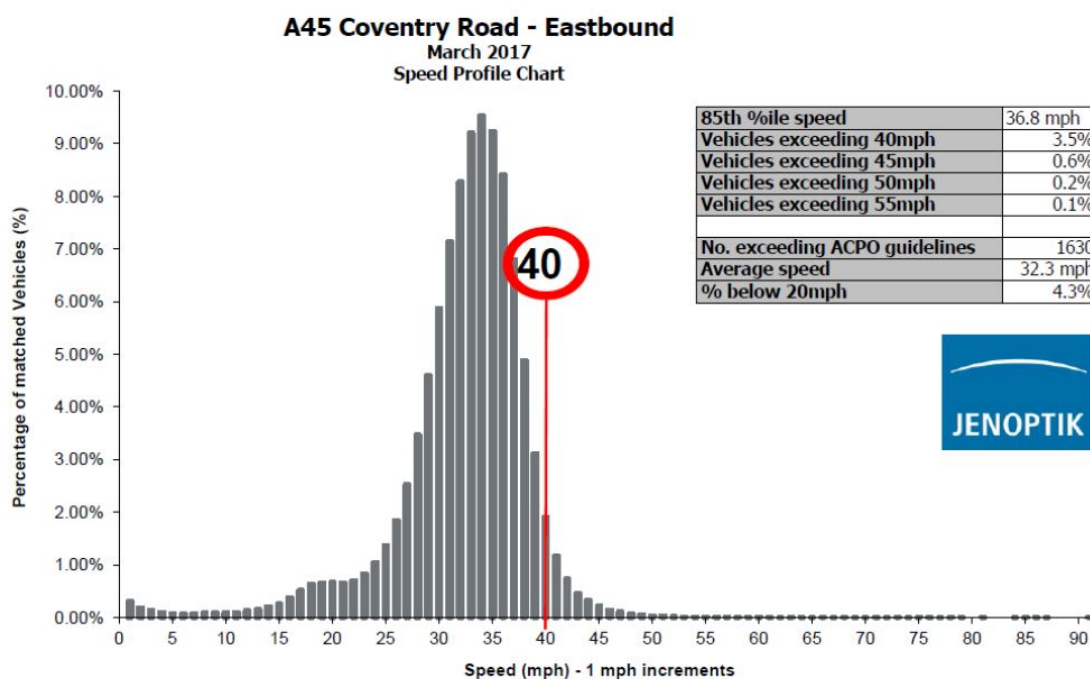
## 6. Pilot Results – Speed Profile Data

Monthly Speed Profile data was provided by the equipment provider for each site. The speed data was captured by ANPR cameras. Speed profile data for two sample sites is shown in Figures 3 and 4 below.

**Figure 3. – Speed Profile Data for A4540 New John Street (March 2017)**



**Figure 4. – Speed Profile Data for A45 Coventry Road (March 2017)**



In both cases it can be seen from the graphs that the majority of vehicles travel below rather than at the speed limit. For New John Street, most vehicles are travelling between 25 and 29mph. For Coventry Road vehicles tend to travel at between 32 and 37 mph. These results indicate lower speeds than for results presented in table 1 and figure 2 – this is because these speeds are from the ASE system (average speed) whereas the other data was measured using pneumatic counting devices (spot speed).

## **7. Initial Conclusions from the Pilot**

The pilot scheme has successfully demonstrated that ASE has a positive impact on speed limit compliance and speed reduction, with consequent benefits in reducing the number and severity of RTCs.

Drivers tend to comply for larger areas with ASE cameras than with spot speed enforcement (as provided by the previous GATSO cameras), where drivers tend to brake a few metres before the camera and accelerate once they pass the secondary check marks. Due to the method of capture by the ASE cameras and larger area of enforcement between two points, ASE system has a much larger “halo” effect compared to fixed spot speed cameras because the driver is uncertain where the enforcement begins or ends.

In terms of RTCs, these have been considered but have not been evaluated, as an assessment of RTC data after just 12 months of operation would not be considered robust and there is also the ongoing deterrent impact of historic GATSO infrastructure to take into account.

No vandalism has been experienced on these ASE cameras to date. This is because the cameras are installed at 6m height.

The cost of installation of the ASE cameras is lower compared to spot speed cameras, as they can be installed on existing street furniture (e.g. lamp columns). They are easier to install and require less civil works.

With wet film cameras regular site visits were required to retrieve the film or rotate the camera heads. The replacement with cameras of digital technology improved operational procedures. Camera rotation happens from the back office and no regular site visits are required.

Other benefits identified by WMP from the use of the ASE cameras were the identification of clone vehicles and repeat offenders.

Whilst a number of Freedom of Information Act requests have been dealt with concerning the number of offences resulting from ASE, public perceptions have been positive, with no complaints received by BCC concerning the system – moreover a number of requests have been received to date requesting ASE at new locations (these are kept on file to inform future development alongside appropriate traffic/road safety data).

Finally, when not in use for enforcement purposes, ASE can collect data for uses such as journey time monitoring or collecting speed and traffic data for statistical/planning purposes. The installation of ASE cameras has improved road safety at all sites where ASE was implemented, by reducing vehicles’ speed. A large reduction, over 13%, of vehicles’ 85<sup>th</sup>ile speed was noticed at all sites, apart from B425 Lode Lane at Solihull, which was already a compliant site.

## **8. Way Forward & Next Steps**

A full evaluation is to be undertaken once a 21 month period has passed, with subsequent road safety analysis to follow. However, in the meantime there are sufficient positive results to proceed from pilot to start working towards further roll-out. This will commence with an initial review of existing arrangements/contract to assess practicality of further expansion to new routes, and high level discussions with WMP in this regard have already commenced.

Once the number of new sites that can be accommodated has been determined, the next step will be a site by site assessment of the existing GATSO sites and any other new sites for consideration. The approach will be data-led and will look to integrate into scheme delivery where applicable (i.e. if other transport schemes are being developed and delivered, could ASE form a component of this). Exact timescales are to be determined but it is anticipated that a desktop exercise will commence in early 2018 with partner discussions ongoing.

Discussions are also taking place with other West Midlands authorities who are looking to implement ASE in their areas. This will be coordinated by Transport for West Midlands (TfWM), in particular where the focus is on the Key Route Network due to concurrent powers between TfWM and local highway authorities. The necessary legal and partnership arrangements will take some time to develop at the West Midlands level and so in the meantime BCC will continue to progress ASE under existing arrangements.



## West Midlands Average Speed Enforcement Pilot – Initial Evaluation

Presentation to Transportation,  
Economy and Skills O&S  
Committee – December 2017



**AECOM**



### Content

- History of Speed Enforcement
- ASE Pilot / Why ASE?
- How does it work?
- Pilot Routes
- Evaluation Criteria
- Speed Reduction
- Speed Profile Data (monthly)
- Pilot Conclusions
- Way Forward & Next Steps

[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)



## History of Speed Enforcement

- West Midlands Casualty Reduction Partnership formed in 2002, step up of activity from 2007
- Disbanded in 2011 due to abolition of Road Safety Grant
- April 2013 GATSO camera operation ceased
- Mobile enforcement ongoing plus roads policing activities

[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)



## ASE Pilot / Why ASE?

- BCC, SMBC and WMP agreed to go forward with pilot ASE:
  - Improve road safety – reduce KSI
  - Improve speed compliance
  - Improve driver behaviour over larger area
  - Upgrading aging infrastructure
  - Solution that could be expanded to other sites with minimum costs
  - Improve back office operational efficiencies
- ASE cameras installed on 8 routes between BCC and SMBC
- BCC capital cost c. £300k
- ASE cameras went live in August 2016

[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)







## Pilot Routes <sup>AG7</sup>

Road	Authority	Length (miles)	Speed Limit (mph)
A38 Bristol Road	Birmingham	0.30	30
A456 Hagley Road	Birmingham	1.74	30
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A4540 New John Street	Birmingham	0.12	30
A34 Newtown Row	Birmingham	0.37	30
B4114 Bradford Road	Solihull	0.25	30
B425 Lode Lane	Solihull	0.37	30
A3400 Stratford Road	Solihull	0.56	30

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## How does it work?

- Speed is measured by a pair of ANPR cameras
- Number plates read at entry and again at exit
- Calculates the time vehicle taken to travel between the two points and converts to speed based on fixed distance
- Images of the offence automatically retrieved from the cameras
- WMP undertake the speed enforcement
- ASE cameras are rotated on a monthly basis from the back office
- All sites are calibrated on a yearly basis and regularly maintained by the equipment provider



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**AG7**      Length in miles and formatted table  
Ampartzis, Georgios, 29/11/2017

## Evaluation criteria

- Evaluation based primarily on speed reduction
- Collisions considered but not main factor:
  - Sites previously had GATSO cameras so had already seen collision reduction
  - Needs a full year of collision data but ideally three

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## Speed Reduction <sup>AG4</sup>

Site	Speed Limit (mph)	85th%ile Speed before ASE (mph)	85th%ile Speed after ASE (mph)	Speed Reduction (%)
A38 Bristol Road Site 928	30	39.8	32.2	-19.10
A456 Hagley Road Site 924 (WB)	30	38.5	32.2	-16.36
A456 Hagley Road Site 925 (EB)	30	39.4	31.5	-20.05
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A3400 Stratford Road Site 2313 (NB)	30	38	32.9	-13.42
A3400 Stratford Road Site 2314 (SB)	30	38.5	31.8	-17.40



**Average Speed Reduction at all sites: -14.54%**

Before ASE data collected for the period of one week in April 2016.

After ASE data collected for the period of one week during April, May and August 2017.

Data captured by pneumatic counting device.

\* Dec 2014

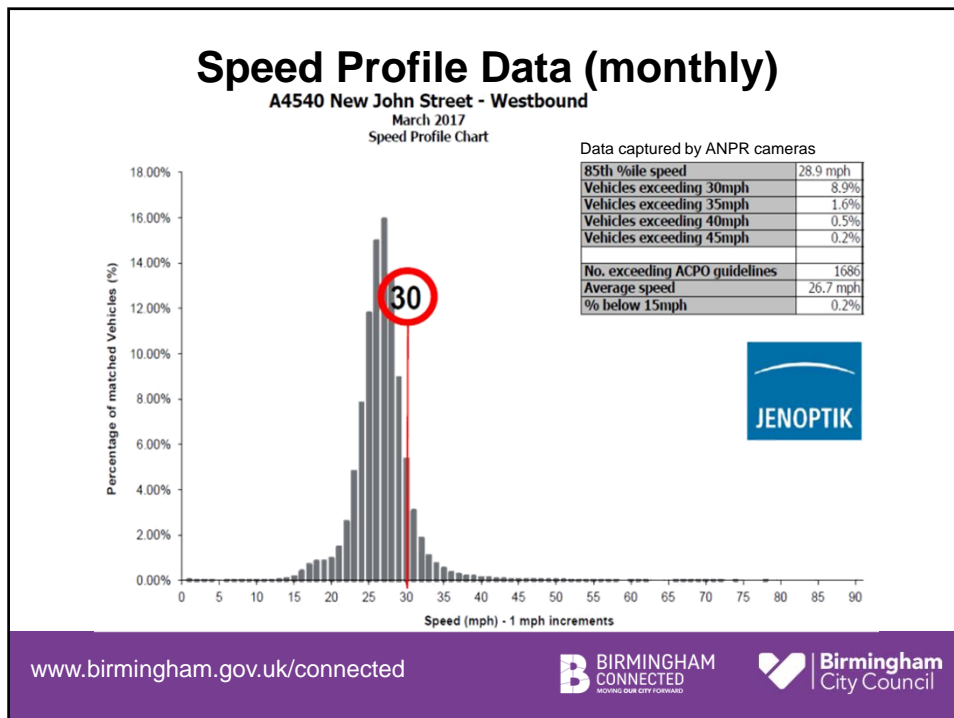
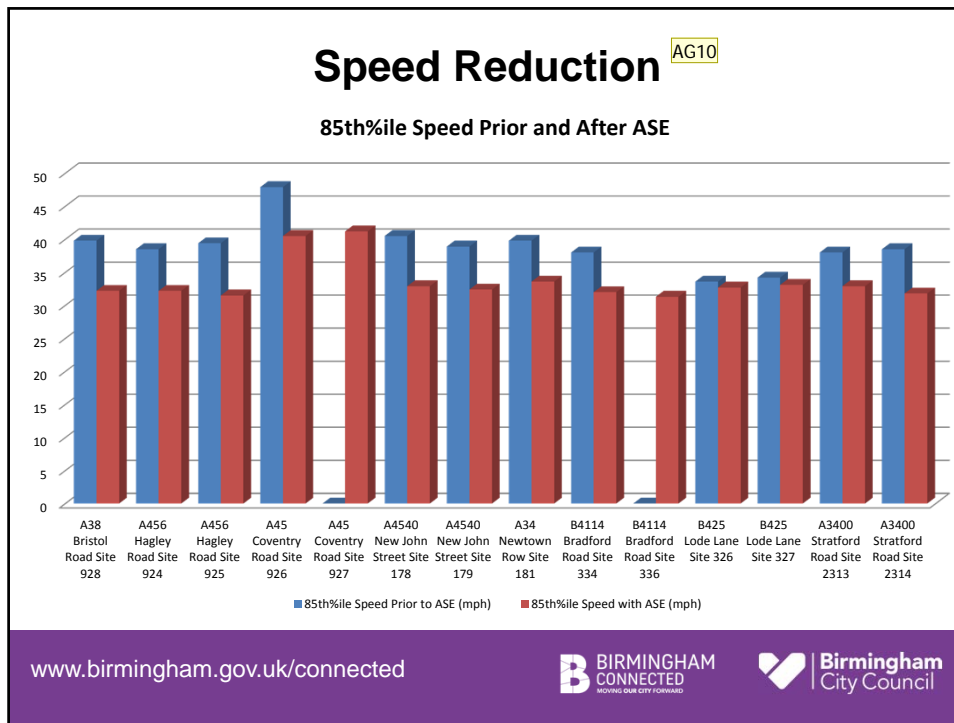
[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)



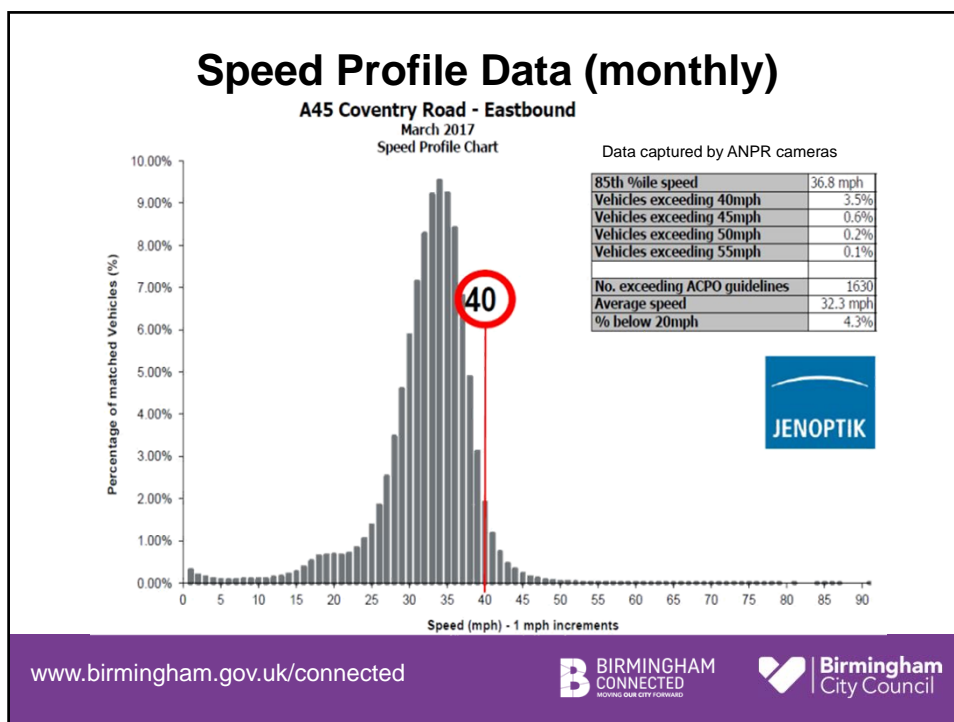
**AG4**

**ADDED site direction**

Ampartzis, Georgios, 29/11/2017



**AG10** Amended key of graph  
Ampartzis, Georgios, 29/11/2017



## Pilot Conclusions

### Primary Benefits

- Speed Reduction
- Larger 'halo impact' – driver compliance over longer distance
- No vandalism to date
- Less civils costs and easier to install or relocate

### Secondary Benefits

- Clone vehicles have been identified
- Repeat offenders
- Aids WMP in investigating other offences/crimes
- Use of traffic data – many possibilities
- Positive public response – want more!

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MOVING OUR CITY FORWARD

**Birmingham City Council**

## Way Forward & Next Steps

- Full 21 month evaluation period to be concluded
- Sufficient positive results from pilot to roll-out
- Existing arrangements/contract allow for further expansion
- Already commenced high level discussions with WMP
- Data-led approach to bringing forward new sites – will look at existing GATSO sites and others – integrate into scheme delivery where applicable – desktop exercise in new year, other timescales tbc
- Longer term – other West Midlands authorities looking to bring sites forward – legal agreements and procurement will take time – focus on Key Route Network for WM coordination?

[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)



## Partner Views



[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)





## Discussion and Questions

[www.birmingham.gov.uk/connected](http://www.birmingham.gov.uk/connected)





## Template to Accompany any Late Reports

### PUBLIC REPORT

<b>Report to:</b>	<b>CABINET</b>	<i>Exempt information paragraph number – if private report:</i>
<b>Report of:</b>	<b>THE CHIEF EXECUTIVE AND INTERIM CHIEF FINANCE OFFICER</b>	
<b>Date of Decision:</b>	<b>12<sup>TH</sup> DECEMBER 2017</b>	
<b>SUBJECT:</b>	<b>BUDGET 2018+ CONSULTATION</b>	
<b>Key Decision: Yes / No</b>	<b>Relevant Forward Plan Ref: 004430/2017</b>	
<b>If not in the Forward Plan: (please "X" box)</b>	<b>Chief Executive approved</b>	<input type="checkbox"/>
<b>Relevant Cabinet Member(s) or Relevant Executive Member:</b>	<b>O&amp;S Chair approved</b>	<input type="checkbox"/>
<b>Relevant O&amp;S Chair:</b>	<b>Councillor Ian Ward</b>	
<b>Wards affected:</b>	<b>Councillor Mohammed Aikhlaq</b>	
	<b>All</b>	

### 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

Discussions have continued until a late stage to ensure that the draft savings proposals are ones which will minimise the impact on services wherever possible. There are significant financial consequences if this report does not proceed to the December Cabinet and therefore this satisfies the 'special circumstances' reason as required by the Constitution.

#### Reasons for Urgency and Reason for immediate implementation following Cabinet approval

S 30(6) Local Government Finance Act 1996 (LGFA) provides that the Council has to set its budget before 11<sup>th</sup> March each year. The Council must begin consultation on the draft budget and savings proposals for 2018/19 – 2021/22 as soon as possible to enable the Council to set its budget before 11<sup>th</sup> March.

A delay in approving the draft Budget Consultation document at December's Cabinet would leave insufficient time for the Council to undertake and fulfil the legal consultation obligations prior to the approval of the 2018/19 Budget at Council in February.

## **BIRMINGHAM CITY COUNCIL**

### **PUBLIC REPORT**

**Report to:** **CABINET**

**Report of:** **THE CHIEF EXECUTIVE AND INTERIM CHIEF FINANCE OFFICER**

**Date of Decision:** **12<sup>TH</sup> DECEMBER 2017**

**SUBJECT:** **BUDGET 2018+ CONSULTATION**

**Key Decision:** Yes / No  
**If not in the Forward Plan:** (please "X" box)  
**Relevant Cabinet Member(s) or Relevant Executive Member:**  
**Relevant O&S Chair:**  
**Wards affected:**

**Relevant Forward Plan Ref:** 004430/2017  
**Chief Executive approved** ☐  
**O&S Chair approved** ☐  
**Councillor Ian Ward**  
**Councillor Mohammed Aikhlaq**  
**All**

#### **1. Purpose of report:**

- 1.1 This report sets out the financial context to the City Council's budget-setting decisions for the period from 2018/19 onwards.
- 1.2 The draft document attached is proposed as the basis for public consultation on the budget proposals.

#### **2. Decision(s) recommended:**

That the Cabinet :-

- 2.1 Approves the attached budget consultation document as the basis of public consultation on budget proposals for the period from 1 April 2018 onwards.
- 2.2 That this decision is designated as not subject to call-in, as set out in the City Council's Constitution, Section 3 - Meetings Administration, Part 8 - Immediate Decision Implementation: "If the interests of the Council are jeopardised unless an executive decision is implemented immediately then the Chief Executive in consultation with the Leader (or Deputy Leader in his/her absence) may designate such executive decision as so urgent that its implementation cannot wait until the expiry of the call-in period."

**Lead Contact Officer(s):** Mike O'Donnell, Interim Chief Finance Officer  
**Telephone No:** 0121 303 2950  
**E-mail address:** mike.o'donnell@birmingham.gov.uk

### 3. Consultation:

#### 3.1 Internal

3.1.1 Cabinet Members, Corporate Directors, the City Solicitor, Director of Human Resources, Director of Public Health and Assistant Director (Communications) have been consulted in the preparation of proposals set out in this report.

#### 3.2 External

3.2.1 The draft document attached as an Appendix to this report will form the basis of public consultation on the overall budget proposals. This will be complemented, where appropriate, by consultation with stakeholders and staff on individual savings proposals.

### 4. Compliance Issues:

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

4.1.1 The financial proposals set out in the attached consultation document have been formulated in the context of the Council's policy priorities.

#### 4.2 Financial Implications (How will decisions be carried out within existing finances and resources?)

4.2.1 The proposals attached, if adopted, will set out the resource envelope within which services must be managed. Final decisions on budget allocations will be taken at the City Council meeting on 27 February 2018.

#### 4.3 Legal Implications

4.3.1 The Local Government Finance Act 1992 (as amended) requires local authorities to calculate their Council Tax requirement, after having regard to all items of income and expenditure for the forthcoming year and, after taking account of the principles set out by the Government, to determine whether a referendum is required on the proposed Council Tax increase. In practice, therefore, this means that a local authority must set a balanced budget for the forthcoming financial year, in this case 2018/19.

4.3.2 The provisions of the LGFA 1992 set out what the Council has to base its budget calculation upon and require the council to set a balance budget with regard to the advice of its Chief Finance officer (s151). The setting of the budget is a function reserved to Full Council who will consider the draft budget which has been prepared by the Executive.

4.3.3 In formulating its budget proposal if these result in decommissioning or re-shaping services then the law will either require specific statutory responsibility to consult on those proposals or the common law will impose an obligation to consult or a further obligation is likely to arise because the Council's proposals require it to comply with or meet the objectives of the **Public Sector Equality Duty (PSED) arising under 149 Equality Act 2010**.

4.3.4 The PSED imposes on the Council an obligation to have 'due regard' as to what is appropriate in all the circumstances in achieving its desired outcomes. In setting the budget, the Council and individual councillors should consider the issue of discrimination

before making any policy decisions that may be affected by such an issue,

4.3.5. In the absence of an express duty to consult, whether or not the service is a statutory service, the common law will impose an **enforceable legitimate expectation of doing so** where:

- a) There has been a promise to consult; or
- b) There has been an established practice of consultation; or
- c) Failure to consult would lead to conspicuous unfairness.

4.3.6 Subject to the overall requirements of fairness, a public authority usually has a broad discretion as to **how** a consultation exercise should be carried. Consultation should provide for interested organisations, service users, and wider community to put forward options on how to reshape the service or project and Councillors before making policy decisions and setting the budget should have 'due regard' as to the likely impact of these proposals on these interested parties.

4.3.7 In addition **Section 3 Local Government Act 1999**, imposes an obligation on local authorities to consult widely in order to determine how the Best Value duty should be fulfilled when decommissioning or re-shaping services.

4.3.8 Subject to the overall requirements of fairness, a public authority usually has a broad discretion as to **how** a consultation exercise should be carried out however the courts will now expect the following criteria to have been followed;

- 1) Consultation must be at a time when proposals are still at a formative stage.
- 2) Sufficient information must be given to those impacted to permit intelligent consideration and response; and
- 3) Adequate time must be given for this purpose; and
- 4) The results of the consultation must be conscientiously taken into account in finalising decisions by decision makers.

4.4 Public Sector Equality Duty (see separate guidance note)

4.4.1 Each service area is required to undertake the Councils Equality Analysis on each of the budget proposals, and to have 'due regard' to their duties under the Equality Act 2010 before a policy decision is taken by both Full Council in February 2018 and before a decision to implement that policy is then taken by Cabinet/Cabinet Member/Corporate Director which might affect those with relevant characteristics.

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

5.1 The financial year 2017/18 has been a transitional year for the Council. Following the setting of a balanced budget for 2017/18, the Council have been seeking to implement that budget while progressing its priorities. The Council's Vision is to be a city of growth where every child, citizen and place matters. Its key priorities are Children, Housing, Jobs and Skills and Health. During the year, the Council has strengthened its performance frameworks and it will be publishing a delivery plan which makes clear how the Council will be meeting its priorities. The Council continues to work with an Independent Improvement Panel appointed by the Secretary of State for Communities and Local

Government, and is currently working with that Panel to review ways of working for the coming year.

- 5.2 The Council is balancing running day to day services as effectively as possible while running in parallel of a series of major improvement programmes. The three key areas for these are Adult Social Care, Children's Social Care and Waste Management. In some cases, such as Children's Social Care and Education there are existing Improvement Plans. In others the Plans are due to come to Cabinet. The Council has been making major changes in its corporate operations as well. The Council's momentum was slowed temporarily by dealing with an industrial dispute triggered by the process of seeking to improve the waste service and some of the corporate governance consequences of that. The dispute also resulted in a number of significant additional costs which have been set out in the Council's budget monitoring reports. In Children's Social Care the Council has benefitted from recognition of improvement in two Ofsted monitoring reports, but it still faces major challenges. The Council continues to work to preserve the services it knows citizens care a great deal about – clean streets, environmental health, parks and green spaces
- 5.3 Alongside the challenges set out above the Council has been progressing its major programme of redevelopment of the city centre and beyond, including the area around Curzon station as a consequence of HS2, Smithfield (one of the largest developments in Europe), Peddimore, Paradise and Centenary Square. The Council has a major programme of highways maintenance with Amey as well as working on strategic and sustainable transport issues in partnership with the West Midlands Combined Authority.
- 5.4 It has also been making significant strides in its joint working with health services, both through its Health and Wellbeing Board and through the Sustainable Transformation Partnership, which is focusing on a number of changes to improve the integration of health and social care services across the city. The Council is in the planning stages of a Children and Young People's Partnership to engage and galvanise the city in providing the best possible opportunities for the 46% of the city who are under 30 years old.
- 5.5 Housing is one of the Council's largest services as it continues to manage its own housing stock and facilitate Housing Birmingham, the partnership of housing providers in the city. This year, like all local authorities in the UK, it has had to respond to the terrible consequences of the Grenfell Tower Fire in Kensington and Chelsea. It has responded promptly and effectively to all the requests from the Department of Communities and Local Government while working energetically with local residents, the housing workforce and other housing partners to review safety and reassure residents. The Housing budget is dealt with separately from the main General Fund budget on which this report is focusing primarily today, but it is a very important part of the Council.
- 5.6 The Council has also been working with many supportive partners including the West Midlands Combined Authority, the three LEPs in the region and the city's universities on the strategic objective of attracting the Commonwealth Games to the city, without impacting on the hard pressed budgets on which we are consulting in this report. The Council is making sure that the city's bid has no impact on Council Tax.
- 5.7 In common with most other local authorities, the City Council has been subject to significant funding reductions since 2011/12. At the same time, the Council has had significant expenditure pressures. This has meant that over the seven years to 2017/18 the City Council has had to make overall annual savings of £642m. We anticipate having to make further annual savings of £111m between 2018/19 and 2021/22. This will mean

total annual savings of £753m over the eleven year period.

- 5.8 The Council has a gross budget of £3.0bn. However a large proportion of it is constrained by national parameters or financial regulations which mean it has to be spent in specific ways:
- £713m must be spent on schools
  - £284m must be spent on Council housing
  - £550m must be spent on benefits
  - £260m must be spent in accordance with grant conditions
  - £291m is funded by income
  - £197m is other uncontrollable expenditure, including financing costs
- 5.9 This means that the amount of the Council's budget from which it is possible to identify savings is around £740m.
- 5.10 This consultation proposes new savings proposals of £14.2m. These are required for a combination of reasons including:
- Addressing the reductions in resources;
  - Funding spending plans; and
  - Replacing savings plans that are no longer considered to be deliverable.

### Resources

- 5.11 There are three main sources of corporate income
- Government Grants
  - Business Rates
  - Council Tax

### Government Grant Reductions

- 5.12 Local Government as a sector has suffered disproportionate cuts as part of the Government's approach to austerity since 2011/12. The City Council has been subject to greater funding reductions than other local authorities over this period.
- 5.13 The Council made representations to the Government on the unfairness of its approach to distributing cuts in 2014/15 and 2015/16 as it diverged significantly from the last "fair funding" calculation from the Government. The Council was successful in ensuring the Government recognised that this was unfair as it introduced a new approach from 2016/17. However, the Government did not make adjustments for the unfair distribution of cuts built into the system, which the Council estimates reduce grant income by around £100m annually. The Leader has written to the Chancellor of the Exchequer about this.
- 5.14 The Council is currently half way through the provision of a "guaranteed minimum" financial settlement. This means we have relative certainty regarding resources for 2018/19 and 2019/20. However, following this there is significant uncertainty including:
- Whether national Government austerity policies will continue in their current form;
  - What the Government will announce in the next Spending Review regarding plans for local government funding; and
  - The impact of a "fair funding" review being carried out by the Government on the distribution of local government funding – this is due to be implemented (at least in part) by 2020/21.



- 5.15 Given all of the uncertainty the Council is currently forecasting that its resources from Government will increase in line with inflation from 2020/21.
- 5.16 The Council's main grants from Government which can be used for general purposes are expected to reduce by £46m in 2018/19 (out of a total of £137m received in 2017/18). The Council also expects to receive an additional £19m from grants to support Adult Social Care. Further details are set out in the table in paragraph 5.16.

### Local Resources

#### *Business Rates*

- 5.17 The Council has entered into an agreement with the Government to Pilot 100% business rates retention locally. This means that all business rates generated in Birmingham are available to the City Council to help provide services. This drives an incentive to grow businesses within the city. We recognise the importance of ensuring all businesses pay their business rates and have begun a review to ensure that all businesses are registered to pay their full share of business rates. Following this and other growth in businesses forecast, the Council estimates that income available to it from business rates will grow by £52m in 2018/19.
- 5.18 To date the Council has received very few appeals from businesses against their business rates bills. Whilst the cost of appeals is backdated to the start of the valuation list, the Council is proposing to re-profile when it sets aside resources to repay business rates for successful appeals. This will bring the profile of resources set aside more in line with when appeals are expected to be submitted. This will not reduce the overall anticipated cost to the Council of business rates appeals.

#### *Council Tax*

- 5.19 The Council's other main form of income is from Council Tax. The Council has carried out thorough reviews of discounts being awarded to ensure that everyone pays their fair share for the services provided by the Council. We have been able to make significant improvements to the Council Tax taxbase following reviews of Single Person Discounts awarded. We have also estimated growth in homes in Birmingham.
- 5.20 As in previous years we anticipate that the Government will place a referendum limit of 2% on general increases in Council Tax. The Government has also allowed Councils to increase Council Tax by a further 3% through the Social Care Precept in 2018/19. The proposals in this consultation assume a combined general and Social Care Precept increase in council tax of 4.99% in 2018/19 and 1.99% in later years.

### Spending Plans

- 5.21 Despite the reductions in funding that the Council has received, we have continued to invest in our services in order to ensure that sufficient resource is available to continue services. In the past we have been able to identify a further £30m of investment in Children's Services and made provisions for inflation. For 2018/19 we propose to continue to invest in our services. For example:
- £8.5m to meet demographic pressures in Adult Social Care
  - £4.5m to further our contribution to paying sustainable wages
  - Funding general inflation costs of the Council
- 5.22 Further details of the pressures proposed to be funded in the period 2018/19 – 2021/22 can be seen in the table below.

*Table 1: Budget Pressures*

Year	£m
2018/19	46.556
2019/20	63.179
2020/21	68.624
2021/22	73.957

### Non-delivery of Savings

5.23 The City Council has successfully delivered £642m of savings through to 2017/18. However, it is becoming harder to identify and deliver savings. There have been some deliverability issues with regard to some savings in 2017/18. Our budget monitoring reports have highlighted the challenge in delivering our current savings plan. Further work has been undertaken as part of the budget process to reduce the anticipated level of savings non-delivery in the current and future years. This has reduced the budget gap that then needs to be covered by new savings proposals.

5.24 The current savings programme can be considered to be in two parts:

- Directorate savings proposals; and
- Corporate savings proposals.

#### *Directorate Savings*

5.25 Early monitoring reports identified that the Council had initial concerns about the deliverability of its Directorate savings plan in 2018/19 and beyond; initially £13m was considered undeliverable in 2018/19. However, the Council has persevered in resolving the deliverability of its savings programme and the majority of the Directorate savings plans are now considered to be deliverable; of the original plan of £26m, only £5m is expected to be undeliverable in 2018/19.

#### *Corporate Savings*

5.26 The Council had intended to make two main corporate savings – savings related to not having to pay increments and the Future Operating Model of the Council. The Council reached collective agreement with the trade unions in order to agree that increments would not be paid through to 2020/21. This will deliver annual savings of £15m by 2020/21.

5.27 The Future Operating Model (FOM) has not been progressed to the same extent as planned. Savings are planned to be delivered across support services to both the Council and the Children's Trust. Savings of nearly £10m are planned for 2018/19 and other savings have been delivered across directorates, but these have been counted against directorate savings targets rather than the corporate FOM target. However, the scale of savings originally envisaged across the whole of the Council has not yet been achieved. The reasons for this relate to a number of different factors which include issues to do with the way the savings were calculated.

### Reserves

5.28 Despite these challenges the Council's aim is to deliver a sustainable savings plan for future years. That is why the detailed information surrounding this consultation includes

figures associated with our proposals on a four year basis. Inevitably, due to the scale of the financial challenge 2018/19 will be a transitional year where we start to put in place necessary changes, which will not take full effect until 2019/20. However, it is essential that the City Council moves to a position where it no longer relies on use of reserves to balance the budget in future years.

- 5.29 The Council has reviewed its ability to use reserves to help the Council in its transition. It is proposed that £15m of reserves are used to help phase the transition in 2018/19. Furthermore, the Council is proposing to use reserves to fund the costs of pension fund strain in order to allow Directorates to maximise their savings proposals. The use of reserves in respect of pension fund strain is assumed to be a further £4m.
- 5.30 This is considered to be a strategic use of reserves to enable progress to be made in services which require transformation, such as Adult Social Care, and allow the Council to transition to a sustainable financial position in the medium term.
- 5.31 A summary of the planned use of corporate reserves is shown below:

*Table 2: Corporate Use of Reserves*

	<b>£m</b>
One off use of reserves	(15.5)
Funding Pension Fund Strain from Organisational Transition Reserve	(4.2)
Repayment to reserves	3.6
Contribution to Business Rates Appeals Reserve	7.0
Other Contributions to specific reserves	7.4
<b>Net use of reserves in 2018/19</b>	<b>(1.7)</b>
Net use of reserves in 2017/18	(32.1)
<b>Movement between years</b>	<b>30.4</b>

### Savings

- 5.32 A comprehensive review of the Council's budget has taken place; where possible pressures have been reduced and savings plans have been reinvigorated. However, new savings proposals are required in order to deliver a balanced budget. The table below shows how the level of savings that the Council needs to deliver has been determined.

*Table 3: Summary of Savings Requirement*

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Changes in core Government grants	45.7	79.4	78.4	77.4
Changes in Council Tax/Business Rates & related Grants	(70.9)	(77.8)	(97.5)	(116.9)
Changes in grants earmarked for Adult Social Care	(18.9)	(40.0)	(40.0)	(40.0)
Pay & Price Inflation	19.7	39.6	58.1	75.9
Budget Pressures	46.6	63.2	68.6	74.0
Net Payment to/(from) Reserves	30.4	33.8	30.0	41.3
Corporately Managed Budgets	1.0	(4.2)	(7.1)	(0.3)
<b>Savings requirement</b>	<b>53.6</b>	<b>94.0</b>	<b>90.5</b>	<b>111.4</b>
Savings in Financial Plan 2017+	(62.7)	(93.9)	(100.5)	(100.5)
Savings not delivered	23.3	39.8	36.5	35.1
Savings being consulted on	(14.2)	(26.8)	(39.4)	(47.8)
<b>Further savings to be identified for future years</b>	<b>0.0</b>	<b>13.1</b>	<b>(12.9)</b>	<b>(1.8)</b>

5.33 The savings in the current plan that are still being pursued by the Council are not sufficient to deliver the total level of savings required. The Council is therefore proposing to consult on £14.2m of new savings proposals which can be seen in the draft budget consultation document set out as an Appendix to this report.

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

6.1 The proposals in the attached draft budget consultation document reflect the evaluation of alternative options by the Administration of the City Council for balancing the General Fund budget for 2018/19, and in setting the financial strategy in the medium term. The purpose of this consultation is, however, to invite the public and partners to consider these savings proposals and if they wish, make alternative suggestions.

## 7. Reasons for Decision(s):

7.1 To approve the attached budget consultation document as the basis of public consultation on budget proposals from the period from 1 April 2018 onwards.

### Signatures

### Date

Interim Chief Finance Officer .....

Interim Chief Executive .....

Leader .....

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

1. City Council Financial Plan 2017+ approved at Council 28<sup>th</sup> February 2017
2. Corporate Revenue Budget Monitoring Document – Month 6

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

1. Draft Budget Consultation 2018+ document

**Report Version 3.5**

**Dated 11<sup>th</sup> December 2017**

## **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 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 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 (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 The Council must, in the exercise of its functions, have due regard to the need to:
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by the Equality Act;
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
- 2 Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
  - (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
  - (c) encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
- 3 The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.
- 4 Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:
  - (a) tackle prejudice, and
  - (b) promote understanding.
- 5 The relevant protected characteristics are:
  - (a) marriage & civil partnership
  - (b) age
  - (c) disability
  - (d) gender reassignment
  - (e) pregnancy and maternity
  - (f) race
  - (g) religion or belief
  - (h) sex
  - (i) sexual orientation





# Budget Consultation 2018+

December 2017



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## FOREWORD

We have a Vision for Birmingham to make it a city of inclusive growth where the opportunities and benefits of progress and investment are felt by all. Since 2010 the Council has had to make cuts of over £642m and we know that we need to go further if we are to tackle the challenges facing the public sector. We face huge decisions, but there are also opportunities for us to look at how we can better deliver our services to suit the changing needs of our citizens.

We must also find new ways to meet demand for services. Our staffing levels are much lower than they were seven years ago. Over that period, we've restructured, reorganised and sought new partnerships, but we know that we need sustainable solutions through long term policy-making, system-wide preventative measures and better public engagement. That is why your views really do matter when we make these tough decisions. This consultation document sets out how we plan to tackle the challenges facing the council and where we will focus the budget we have in order to continue to make a positive difference.

Over the next year we will focus on four key priorities, because we believe these represent the areas of greatest opportunity and challenge for all of us:

- Our Children
- Housing
- Jobs and Skills
- Health.

We want Birmingham to be a great city for our children to grow up in. This year we will introduce a new Early Years Health and Wellbeing Service so children and families have greater opportunities to access good quality early education and health services. The Birmingham Children's Trust will launch in 2018 and this will provide high quality services for those who are most vulnerable in our city, and help to give them the best start in life. We want to keep our children safe by working with schools, health services, police and other agencies to support and protect them, ensuring that their safety is a shared responsibility.

We want Birmingham to be a great city for everyone to live in. Through working with partners we will enable citizens to find and sustain housing that meets their needs, continuing to deliver a housing programme to ensure a further 750 affordable homes are built. This year we launched our Street Intervention Team working with partners to help those on the streets in a time of crisis. We will continue to provide advice and assistance for residents to either help them remain in their existing home, or to access safe and suitable accommodation to help to prevent a crisis where possible.

We want Birmingham to be a great city to learn, work and invest in. We are committed to carrying out our Birmingham Development Plan, which sets out how we're going to grow the city's economy

## BUDGET CONSULTATION 2018\*

through economic development and regeneration, including the creation of 100,000 jobs and £4bn of infrastructure by 2031. We will look at how we can better use our property assets for community development, regeneration and investment. We want to make sure that every opportunity for redevelopment such as Birmingham Smithfield in the city centre, brings new jobs, new commercial space, and improved public transport. By investing in our young people we will prepare them to leave school with the skills they need, in particular supporting 14-19 year-olds at risk of disengaging from education and training.

We want Birmingham to be a great city to grow old in. We will work with health and community partners including voluntary, third sector and faith groups to focus on more personalised social care support, making the most of individual and community assets (such as community centres and leisure centres) so that vulnerable people can continue living independently in their communities for longer.

Through this consultation we want to hear your views on our latest budget, which includes some changes to the services we provide. There will be opportunities for you to ask us questions while this consultation is on-going, and we look forward to hearing your views. Despite ongoing challenges, Birmingham is a great city of opportunity and we want that to continue.



**Councillor Ian Ward**  
**Leader**



**Councillor Brigid Jones**  
**Deputy Leader**

## How you can have your say

**The formal budget consultation for 2018+ closes  
on 15 January 2018**

**To let us know what you think fill in our online  
survey at [www.birminghambeheard.org.uk](http://www.birminghambeheard.org.uk)**

**Or you can join the conversation online:  
#BrumBudget18**

## **THE PURPOSE OF THIS DOCUMENT**

This is the formal consultation document for the Council's 2018+ budget.

The consultation document sets out the overarching approach the Council is taking to meet the budget reductions and achieve the required savings for 2018+. You can give your views on these proposals by completing the questionnaire on Be Heard (details in section five below). These views will be fed back to Council Members to inform their decision on the budget in February 2018.

Please note this document sets out broad issues for the corporate consultation and the overall budget position. There will also be consultations on specific service proposals in early 2018, and implementation will be subject to the required governance process.

The rest of this document is arranged as follows:

### **SECTION ONE**

Summarises the broad feedback we have gathered through the Council's budget consultations over the last four years.

### **SECTION TWO**

Details the current financial position.

### **SECTION THREE**

Details our journey so far in transforming the council and meeting the financial challenge and the further steps we intend to take.

### **SECTION FOUR**

Summarises the savings proposals 2018+

### **SECTION FIVE**

Details how you can have your say on these proposals.

## **ALTERNATIVE FORMAT?**

If you would like a copy of this document in an alternative format, please email: [budget.views@birmingham.gov.uk](mailto:budget.views@birmingham.gov.uk)

# SECTION 1

## Feedback from previous consultations

## FEEDBACK FROM PREVIOUS BUDGET PLANS AND PRIORITIES CONSULTATIONS

We have consulted about our plans, priorities and budget proposals over the last five years with our stakeholders: residents, communities, partners, organisations and businesses. We appreciate this valuable engagement and your input has directly informed our decision-making.

Through the budget consultations over the last five years there have been some broad, consistent messages, namely:

- Concern about ongoing cuts to services for vulnerable and disadvantaged people.
- Support for targeting resources at those most in need, so prioritising supporting vulnerable people—tackling inequality and deprivation; safeguarding children; and ensuring dignity for older people.
- Importance of prevention and early intervention to avoid acute situations for affected people which are very costly to services.
- Need for greater partnership planning and working, alongside concerns about outsourcing to the private sector.
- Partnership needs to focus on prevention, on public education and on encouraging citizen and business responsibility and social action.
- Environmental concern, including parks and open spaces, nature conservation, street cleaning and maintaining the public realm.
- Strong support for the city's cultural offer—museums and galleries, libraries and the arts.
- Enhanced communication, together with further integration of services and avoiding any duplication to deliver quality services.
- Support for greater collaboration across the city-region for strategic issues such as new housing and economic development.

**Themes that emerged most frequently in terms of a broader vision were for a city that:**

- Stands up for itself, where citizens have pride and dignity, have a sense of purpose and direction, and take responsibility.
- Is inclusive and with engaged communities providing for the needs of all its residents and protects and supports the most vulnerable.
- Is fairer and more equal.
- Has a strong community spirit where residents are informed and feel that they 'own' the city.
- Is a devolved city, where citizens have a say on local issues and services are democratically accountable.
- Values and provides education, training, employment and other opportunities for its young people.
- Through its active participation in the West Midlands Combined Authority (WMCA) as well its own advocacy for Birmingham, attracts investment and retains firms.
- Ensures investment benefits all parts of the city as well the city centre.
- Links into the digital economy where all can access the internet.

**Key roles identified for the Council include:**

- Providing strong but accountable political leadership and management at both a city-wide and local level.
- Encouraging community activity, particularly in areas where community organisation is weaker.
- Communicating good quality information in a way which makes sense to its citizens.
- Concentrating resources in areas where there is the greatest need, in partnership with others.
- Providing a 'one stop shop' for related requests for services in partnership with others, and investing in buildings where community groups can meet.



# SECTION 2

## Current financial position

## CURRENT FINANCIAL POSITION

**The City Council has always been heavily dependent upon Government grants to meet the costs of services, which has made it very vulnerable to cutbacks in those grants.**

**The Council has taken up the Government's offer of a minimum grant settlement for the period until 2019/20. This means that there is some certainty about the resources which will be available in the next two years.**

However, beyond that there is significant uncertainty including:

Whether austerity will continue;

- What the Government will announce in the next Spending Review regarding plans for local government funding; and
- The impact of a 'fair funding' review being carried out by the Government on the distribution of local government funding – this is due to be implemented (at least in part) by 2020/21

At the same time as reductions in Government grant, the Council also faces pressures to spend more on services. These 'expenditure pressures' cover a range of costs, including the effects of inflation, and meeting increasing demand for adult social care services. It is expected that these pressures will require additional annual funding of £191m by 2021/22.

The Council has also undertaken a realistic assessment of its previous savings plans. In particular, whilst the Future Operating Model is expected to deliver savings in 2018/19, these will not be as great as previously planned. In cases where the assumptions underpinning the original proposals have changed or more detailed planning showed that there would be challenges with implementation, some of the original savings proposals have been replaced with new ones.

Planned cutbacks in core Government grants and other forecast changes mean that the Council expects to have to make savings of £111m per annum by the end of the next four year period.

Despite these challenges the Council's aim is to deliver a sustainable plan for future years. That is why the detailed information surrounding this consultation includes figures associated with our proposals on a four year basis.

## BUDGET CONSULTATION 2018\*

Inevitably, due to the scale of the financial challenge 2018/19 will be a transitional year where we start to put in place necessary changes, which will not take full effect until 2019/20 or later.

Our forecasts of future council tax include:

- An increase of 1.99% each year in council tax, and
- The continued take up of the ability to raise a 'Social Care Precept' by increasing Council Tax by a further 3% in 2018/19 to provide extra funding to meet costs of social care.

In common with the other Metropolitan District Councils in the West Midlands, we will continue to pilot a new system of 100% local retention of business rates from 2017/18 onwards. This means that all of the benefits of real terms business rates growth will, in future, be retained in the region.

Our forecasts of future council tax and business rates income have also been updated, and these are expected to provide an extra £117m each year by 2021/22.

Although the total 2017/18 Council expenditure is £3bn, a large proportion of our funding must be spent on specific services. For example, £713m of grant funding must be spent on school services, and another £550m is to reimburse the Council for meeting housing

benefit costs, and income from the provision of Council housing must be spent in providing that housing and related services £284m.

Other areas of spending, such as debt financing costs, are fixed and unavoidable. This means that only around a third of expenditure is directly controllable by the Council, and savings have to be made from this much smaller budget figure.

Taking all these factors together, the further savings that we now need to make (on top of the annual savings of about £642m that the Council has already made from 2010/11 up to 2017/18) are £111m, as summarised in the table below. This will mean total annual savings of £753m over the eleven year period.

We have previously consulted on some of the savings which are already included in the Council's financial plans including significant savings in the cost of 'back-office' services.

This consultation document concentrates on the newly identified proposals. These are shown in section 4 of this document. There are specific proposals totalling £8m and efficiency targets totalling £6m for 2018/19. By 2021/22, the savings from these new proposals rise to a total of £48m.

## BUDGET CONSULTATION 2018\*

The savings required can be summarised as follows:

	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m
Changes in corporate Government grants	27	39	38	37
Changes in Council Tax/Business rates and related grants	(71)	(78)	(98)	(117)
Expenditure pressures	98	133	151	191
<b>SAVINGS REQUIREMENT</b>	<b>54</b>	<b>94</b>	<b>91</b>	<b>111</b>
Savings in financial plan 2017+	(63)	(94)	(101)	(100)
Savings not delivered	23	40	36	35
Savings being consulted on	(14)	(27)	(39)	(48)
<b>OTHER SOLUTIONS TO BE DETERMINED</b>	<b>0</b>	<b>13</b>	<b>(13)</b>	<b>(2)</b>

NOTE: Numbers in the table have been rounded

The Council uses reserves to help the Council adapt to the financial challenge it faces and to provide a buffer against the risks associated with achieving the necessary level of organisation change and savings delivery. In these proposals, £20m of reserves are planned to be used in 2018/19 to help with the transition.

# SECTION 3

## Our priorities

# CHALLENGES AND PRIORITIES—THE COUNCIL’S RESPONSE

## Changing Birmingham

Great opportunity for our city goes hand-in-hand with great challenges. The most diverse major city in the UK outside London, almost half (46 per cent) of residents are under the age of 30. The city is thriving, its population (already over 1.1 million) will grow by 121,000 to 2031 as new businesses relocate here and existing communities grow. This makes affordable housing and homelessness a priority issue, with 89,000 new homes needed by then, but presently only land capacity in Birmingham for 51,000 of these. There are pressures however and waiting lists for social housing are already mounting. Poverty is highly concentrated in parts of the city, leading to wide disparity in life expectancy. 37% of Birmingham children live in poverty, with many affected by welfare cuts. The impact on the lives of many in the city is pictured below.

## The national context

A growing and ageing population; social and lifestyle changes; widening cultural diversity and identity; intergenerational disparity; uneven urban growth; technological change; economic risk and social dislocation; and climate breakdown and environmental damage all pose major long-term challenges for local authorities.

The June 2017 election produced a minority government at Westminster, with the political system continuing to be preoccupied by Brexit. Low forecast economic growth and in particular the minimal future productivity growth anticipated in the November 2017 Budget underline pressure on tax receipts and consequently spending and borrowing stresses into the 2020s. Despite the headline housing investment, extra NHS spending and a range of regional infrastructure measures, the Budget did not provide extra resources for adult social care and children’s services, the greatest existing pressures on local government. Meanwhile the Local Government Association (LGA) has identified a £16bn reduction in

core funding from central to local government between 2010 and 2020.

## Meeting the challenge

Our values and priorities mean we will work together for a city of growth in which every child, citizen and place matters.

We see the City Council’s role as providing strategic leadership for the city and ensuring the provision of decent services for all. We have a particular focus on supporting those least able to support themselves. We work with partners to take a ‘whole-system’ approach, with citizens and neighbourhoods at the heart of our decision making.

The landscape of local government is also changing in the wider West Midlands, with the creation of the Combined Authority in July 2016 and the election of the first Metro Mayor for the area in May 2017.

## The challenge

Birmingham continues to wrestle with some deep-seated challenges...

### OBESITY

**25%**  
of 10–11 year olds  
are obese



**20%** National  
average

### NOT SATISFIED

**16%**  
of 15 year olds are  
not satisfied with life

**1 IN 3**  
CHILDREN LIVE  
IN POVERTY



**128,000**

children (0–15 yr olds)  
live in the bottom decile  
households

**10.8%**

growth in number of  
children aged 5–15  
over the next 20 years  
(2017–2037)

### INFANT MORTALITY



**7.9**

Birmingham

**3.9**

National average

### CYCLING

**<1%**



percentage of  
children who cycle  
to school

### PHYSICAL ACTIVITY

(adults 19yrs+)

**61.2%**

Birmingham

**64.9%**

National



### FUEL POVERTY

**17TH**

Out of 326 English local  
authorities, Birmingham  
ranks 17th for proportion  
of fuel poor households



**LIFE**  
EXPECTANCY

**10.6yrs**

less for men

**8.2yrs**

less for women



The difference between  
most affluent and  
most deprived areas

**SOCIAL**  
CONTACT  
**>50%**

More than half of adult carers would like more  
social contact



This provides a new framework for collaboration between the seven metropolitan councils, including Birmingham. It also brings new ways to improve efficiency and deliver better outcomes, particularly in economic development, housing and transport but also in public services and administration and areas of shared concern such as air quality

Birmingham City Council has played an active part in the creation of these arrangements and will continue to work closely with our neighbours in the interests of the people of Birmingham and the wider West Midlands.

We continue to recognise the need to change our organisation radically to manage with far less money, deliver on new expectations and respond to key drivers of change.

This requires very different ways of working. We will ensure that we are working with our partners to make sure that where we are no-

longer able to provide direct services they are able to help. Linking in with groups focused on improving the local area and using the contribution of voluntary effort and the community we will look to support service provision in a different way. As a City Council we want to be more effective as a strategic leader in Birmingham, as we become smaller we need to be able to work better with others to deliver services when we might be able to.

Partnerships will become even more important and we will focus on empowering communities to contribute to the future of the city, so it is a place everyone feels connected to.

Our services will move from being overly bureaucratic to being flexible and will enable partners to work with our staff in delivering services wrapped around citizens' needs rather than our internal structure. We will actively plan our services around the needs of the city and aligned to demands to avoid unnecessary pressures, and to support citizens to be more independent.



# SECTION 4

## Savings proposals

## SAVINGS PROPOSALS FOR 2018/19

We have previously consulted on some of the savings which are already included in the Council's financial plans including significant savings in the cost of 'back-office' services.

This consultation document concentrates on the newly identified proposals. There are specific proposals totalling £8m and efficiency targets totalling £6m for 2018/19. By 2021/22, the savings from these new proposals rise to a total of £48m.

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Adult Social Care & Health					
Adult Packages of Care	<p>This proposal aims to:</p> <ul style="list-style-type: none"><li>• Enable vulnerable people, such as those with learning disabilities or mental health problems, to access services in the community, e.g. homecare/day care, rather than being in residential care. It aims to meet needs locally, providing support close to home rather than out of area.</li><li>• Help older people by working more effectively with the NHS, to avoid admissions to hospital in the future. This work coupled with the intention to move to Community focussed Social Care teams and investment in the community will improve older people's resilience and move to a 'last resort' scenario for residential services. The motto will be 'Home First'.</li><li>• Increase income from charges to clients by introducing a range of new charges on services.</li></ul>	0.000	(5.500)	(13.000)	(20.500)

# BUDGET CONSULTATION 2018\*

<b>Social Work Assessment &amp; Care Management</b>	<p>This proposal includes a restructure of the Social Work Assessment and Care Management Service which will increase the number of people reporting to individual managers (spans of control), further the moves to an asset-based assessment approach for citizens (focusing on what the citizen can do for themselves) and further the development of the community offer by working more closely with the third sector.</p> <p>The new approach will enable and empower people to develop and receive services in their own community by working closely with local GPs, communities and the Voluntary Sector. It is envisaged that a restructure will include increasing the span of control for the managers of the service and remodelling other services.</p> <p>The remodelling of the service will also include moving the specialist provision of Learning Disabilities and Mental Health into the Community Teams.</p>	(0.500)	(1.493)	(2.600)	(3.893)
<b>Corporate Director</b>	<p>The financial circumstances of Service Users eligible to receive care from the Council is assessed in line with Government Regulations, to work out what contribution they should make to the cost of their care.</p> <p>The Council raises bills to the Service Users to collect these contributions but some of these are not paid immediately. The Council uses a variety of means to collect these debts taking account of the circumstances of the Service Users. The Council will review the processes and methods used to ensure that the maximum amount of outstanding debt is collected.</p>	(0.350)	(0.350)	(0.420)	(0.420)

## BUDGET CONSULTATION 2018\*

Public Health	<p>It is proposed to re-direct discretionary aspects of the Public Health allocation into prevention and early intervention. This is in addition to the reductions of £4.78m planned for 2019/20 and beyond, which are due to forecast grant reduction.</p> <p>We are proposing the following changes to achieve this:</p> <ul style="list-style-type: none"> <li>• Changing the school nursing service from a universal to targeted service (in 2018/19)</li> <li>• Further staffing redesign (2018/19), changes to the Young Persons substance misuse service (2019/20)</li> <li>• Stopping support to the financial advice service and the Young Persons homeless hub (2020/21)</li> <li>• Reducing the expenditure on the smoking/quit service and stopping the substance misuse homeless service (both from 2020/21).</li> </ul>	(1.600)	(2.360)	(3.860)	(2.850)
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# BUDGET CONSULTATION 2018\*

<b>Specialist Care Services</b>	<p>The proposal is to move away from institution based care to local community based activities.</p> <p>The Council will continue to provide and develop services that reduce the dependency on social care including Enablement (rehabilitation), Equipment, Home Adaptations and Occupational Therapy services. Through partnership, it will develop opportunities to reduce cost and improve effectiveness through integration with health.</p> <p>As the Day Opportunity strategy and model is developed with service users, this will reduce the reliance on building based care to reflect the changing needs of people. This will include further consolidation of younger adults day care as demand for this provision reduces. Support and access to meaningful activities such as employment will continue. Carers respite will continue and a greater range of options will be developed.</p> <p>We will review the use and cost effectiveness of our Care Centres and bed-based services in partnership with Health and the independent sector to ensure these services deliver best value. We will continue to develop alternatives to bed-based care and invest in Shared Lives and Homeshare to deliver alternative living arrangements that promote staying in the community and independence and have a lower average cost than Residential Care Placements.</p>	(1.058)	(3.176)	(4.233)	(4.233)
<b>Adult Social Care &amp; Health total</b>		<b>(3.508)</b>	<b>(12.879)</b>	<b>(24.113)</b>	<b>(31.896)</b>

# BUDGET CONSULTATION 2018\*

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
<b>Children &amp; Young People (exc Trust)</b>					
<b>Education Psychology</b>	This proposal involves the removal of the joint head of service post across the Access to Education and Education Psychology teams, plus an additional post from the Educational Psychologists team. In addition the service is working to develop a more commercial model of service to sell to other organisations and work is beginning to identify areas where investment may be needed to grow the business further to increase revenue.	(0.100)	(0.100)	(0.100)	(0.100)
<b>CityServe</b>	<p>There are three components to CityServe. These are Catering, Cleaning and Caretaking. Catering is the only service that is profitable. The proposal is to:</p> <ul style="list-style-type: none"> <li>Expand the education catering business beyond Birmingham borders, as well as working up a trading model (CityServe select) that supports clients who choose to provide school meals 'in-house'.</li> <li>Stop the caretaking business and the cleaning business.</li> </ul>	(0.050)	(0.237)	(0.437)	(0.437)
<b>School Setting / Improvements</b>	<p>This service delivers school improvement support as well as oversight of school governance; and safeguarding. It also covers a range of activity involving support to Head Teachers; data intelligence; legal compliance and Post 16 Provision.</p> <p>This proposal involves reducing expenditure on areas such as: IT, data and performance management, HR support and some commissioned contracts. Safeguarding and governance have been protected.</p>	(0.246)	(0.246)	(0.246)	(0.246)
<b>School &amp; Governor Support</b>	School and Governor Support (S&GS) is a traded service that provides professional support and advice to schools and academies. The service also carries out statutory duties on behalf of Birmingham City Council.	(0.020)	(0.020)	(0.020)	(0.020)

# BUDGET CONSULTATION 2018\*

	This proposal involves reviewing the current subscription model for the service.				
<b>Schools Financial Services</b>	<p>The service aims to reduce financial risk to Birmingham City Council by undertaking a monitoring role to ensure that financial probity, governance and accountability for the use of public funds in maintained schools is being properly managed.</p> <p>As a traded service, it generates income to meet annual targets through the offer of financial support services to maintained schools and academies. Schools Financial Services has been a trading service since 1996 and 85% of maintained schools buy financial support service packages that enable the income target to be achieved as well as generating surpluses of approx. £200k.</p> <p>The proposal is to reduce staffing of the service by one member of staff.</p>	(0.035)	(0.035)	(0.035)	(0.035)
<b>Children &amp; Young People (exc Trust) Total</b>		<b>(0.451)</b>	<b>(0.638)</b>	<b>(0.838)</b>	<b>(0.838)</b>

# BUDGET CONSULTATION 2018\*

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
<b>Place</b>					
<b>Sport &amp; Events</b>	<ol style="list-style-type: none"> <li>1. Cease contributions to the cyclical maintenance reserve for Harborne Pool. Places for People who operate Harborne Pool on behalf of the council have an obligation under their full repairing lease to carry out cyclical maintenance therefore this contribution by the Council is no longer required.</li> <li>2. The Harborne pool operating model has recently been granted 80% business rate relief. This will therefore release monies set aside under the Council's premises budget to cover rates.</li> </ol>	(0.170)	(0.170)	(0.170)	(0.170)
<b>Parks and Nature Conservation</b>	It is proposed to accelerate the commercialisation of parks and look at a wide range of options which could include (for example) land trains, adventure golf, high ropes, and car parking charges.	(0.200)	(0.400)	(0.400)	(0.400)
<b>Bereavement Services</b>	<ol style="list-style-type: none"> <li>1. Stop providing contracted services for organists. Families will need to book an organist through a funeral director.</li> <li>2. Implement transfer fee for 're-opens'. This will normally be for the purpose of re-opening an existing grave either where there has been a previous burial or where the exclusive rights of burial have been pre-purchased in reserve and is being used for the first burial and the owner of the burial right is deceased.</li> <li>3. Re-negotiate medical referees fee.</li> <li>4. Increase burial and cremation fees by 3%.</li> </ol>	(0.383)	(0.383)	(0.383)	(0.383)
<b>Engineering &amp; Resilience Services</b>	<ol style="list-style-type: none"> <li>1. Delete a (vacant) post in the Resilience Team.</li> <li>2. Charge external third parties for use of our CCTV service, to bring in additional income to the control centre.</li> </ol>	(0.098)	(0.098)	(0.098)	(0.098)



# BUDGET CONSULTATION 2018\*

	3. Stop the use of consultants, and recruit a permanent post for the statutory role related to planning applications in the flood risk management team. Government grant is provided for this.				
<b>Register Office</b>	Increase fees that are not set by law. This includes enhanced wedding/civil partnership ceremonies in the ceremony rooms; and weddings at approved premises where two registrars must attend.	(0.172)	(0.172)	(0.172)	(0.172)
<b>Waste Prevention</b>	It is proposed to combine the current waste prevention team with the redesigned waste prevention service within waste management. This allows for a whole place approach and delivers economies of scale by moving the current waste prevention team back into Waste Management to work alongside the new roles. This will enable taskforce activity alongside the daily work/activity of the Waste and Recycling Collection Officers in the new role to maximise the outcomes required, increase recycling and reduce domestic waste.	(0.110)	(0.165)	(0.165)	(0.165)
<b>Neighbourhoods &amp; Communities - Libraries</b>	Charging for reserving books. This is where residents/library members are seeking to borrow an item (e.g. book, CD) not available in their local library. This may be because it is already out on loan or is held at a library elsewhere in the city. The item is then obtained and made available for collection at their local library. It can also be returned to their local library.	(0.017)	(0.017)	(0.017)	(0.017)
<b>Neighbourhoods &amp; Communities - Youth Service</b>	<p>The proposal is as follows:</p> <ul style="list-style-type: none"> <li>• Retain current Youth Centres</li> <li>• Retain match funding for city wide European Social Fund (ESF) bid supporting young people</li> <li>• Deliver the £630k pressure through: <ul style="list-style-type: none"> <li>○ £450k an increased contribution from ESF bid</li> <li>○ £150k if pilot work on 'Return Home Interviews' is successful and the Youth Service secures this work going forward</li> <li>○ £30k other income streams such as the Youth Participation/Your Voice funding</li> </ul> </li> </ul> <p>To deliver the above ultimately requires positive decisions from within the City Council:</p>	(0.100)	(0.100)	(0.100)	(0.100)

# BUDGET CONSULTATION 2018\*

	<ul style="list-style-type: none"> <li>Seeking to increase the allocation of work to the youth service from the ESF bid from £300k to £450k (Economy)</li> <li>The Youth Service pilot being successful and then being Commissioned by Children's to carry out the work when the current contract ceases</li> <li>That Commissioning/Public Health continue funding the Youth Participation work in 2018/19</li> </ul> <p>In addition to meeting the £630k pressure a further £100k general efficiency is delivered by the service.</p>				
<b>Neighbourhoods &amp; Communities – Community</b>	Progress the closure and disposal of Newtown Community Centre and retain the revenue value of the capital receipt to deliver savings; transfer responsibility for the Friends Institute Trust for which BCC is Custodian Trustee to a third party; and let Coronation Play Centre to an external not-for profit organisation.	(0.040)	(0.120)	(0.120)	(0.120)
<b>City Centre Management</b>	Charge businesses for a licence to display A Boards (outdoor advertising boards) on the city centre public highway.	(0.030)	(0.030)	(0.030)	(0.030)
<b>Housing Options</b>	Stop using Bed & Breakfasts to provide Temporary Accommodation for households. Instead, use other (less costly) options, such as properties leased from private sector landlords and council-owned properties.	0.000	0.000	(0.500)	(1.009)
<b>Shelforce</b>	<p>Shelforce manufacture PVCu windows and doors, and supply these to the construction companies contracted to replace windows and doors for the council's social housing. Our employment model is to support people furthest from the employment market while having a totally integrated work force, and currently 75% of Shelforce's workforce have disabilities.</p> <p>The proposal is to increase its trading activity to generate more income. This includes providing windows and doors to existing social housing and new housing built through the Birmingham Municipal Housing Trust.</p>	0.000	(0.050)	(0.050)	(0.050)
<b>Place Total</b>		<b>(1.320)</b>	<b>(1.705)</b>	<b>(2.205)</b>	<b>(2.714)</b>

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Economy					
Birmingham Property Services	Manages the Council's operational property portfolio. This proposal is to reshape and reduce staff capacity by 10%. This will mean reducing some areas of current activity - including the management of operational buildings and support the team provides in ensuring vacant possession of assets is obtained prior to disposal.	(0.173)	(0.231)	(0.231)	(0.231)
Employment Services	<p>Employment Services deliver the following.</p> <ul style="list-style-type: none"><li>• Employment Access - supports businesses to recruit unemployed job seekers from deprived parts of the city. This function also brokers the support provided by employers for young people in respect of Youth Promise Plus activities.</li><li>• Youth Employment - reduces the number of young people Not in Employment Education and Training (NEETs) including delivery of 'Youth Promise Plus' - a European funded project.</li><li>• This proposal intends to make a saving by removing 1.8 FTE vacant posts from the staffing and delivering the remaining balance by recharging permitted delivery costs to externally-funded projects.</li></ul> <p>This would:</p> <ul style="list-style-type: none"><li>• Retain the necessary resources to manage and deliver the current Youth Promise Plus project</li><li>• Maintain the necessary staffing levels to draw together a further £23m to deliver employment schemes for low skilled adults and young people not in employment, education and training.</li></ul>	(0.114)	(0.114)	(0.114)	(0.114)

**BUDGET CONSULTATION 2018\***

<b>Housing Investment &amp; Development</b>	The proposal is to reduce the level of support to monitoring of housing association development activity.	(0.005)	(0.005)	(0.005)	(0.005)
<b>Business Enterprise &amp; Innovation</b>	<p>Business Development and Innovation's (BDI) delivery model competes on a national and regional basis for grant funding for the region which requires City Council revenue match funding as a minimum. As the Accountable Body it uses the staff salary match funding to generate - on average - 55% of its income.</p> <p>A reduction in revenue budget for match-funding will reduce the ability to generate an equivalent sum in match-funding to deliver new programmes. The reduction is equivalent to two existing Grade 5 vacant posts which will be designated as 'self-funding' in the organisational structure and only recruited to in the event of new funding being identified.</p>	(0.105)	(0.105)	(0.105)	(0.105)
<b>West Midlands Growth Company [Marketing Birmingham]</b>	<p>The WMGC has a contractual relationship with the Council for the period 2017/18 to 2019/20 to deliver services in respect of promoting the city's visitor economy and supporting the city's economy and occupier offer by attracting additional businesses to relocate to the city.</p> <p>The proposal is as follows:</p> <ul style="list-style-type: none"> <li>• Either end financial support for visitor economy or occupier attraction services from 2018/19.</li> <li>• Continue financial match support for WMGC's European Regional Development Fund (ERDF) Investing in Greater Birmingham project up until 2018/19.</li> <li>• Continue financial support for developing / delivering tourist information services at the Library of Birmingham.</li> <li>• Continue funding the annual contribution for pre-existing pension fund liabilities.</li> </ul>	(0.227)	(0.576)	(0.576)	(0.576)

# BUDGET CONSULTATION 2018\*

<b>Planning &amp; Development</b>	<p>The service involves the following.</p> <ul style="list-style-type: none"> <li>• Planning Management – determination of planning applications; planning appeals; enforcement; city design and conservation.</li> <li>• Development Planning – development and delivery of planning frameworks; compulsory purchase orders.</li> <li>• Policy and Programmes – production and monitoring of planning, transport and economic policy; programme management and bids for transport funding.</li> <li>• Corporate Director and Graduate &amp; Apprenticeships programme</li> </ul> <p>The Proposal is to cut 20% of the budget but to minimise impact on performance and delivery (especially around the priority areas of housing and jobs) with savings delivered by reducing headcount at senior management level (deletion of the Head of Planning Management and Householder Planning Manager roles), and reducing structure funding for a defined number of vacancies.</p>	(0.333)	(0.333)	(0.333)	(0.333)
<b>Transportation &amp; Connectivity</b>	<p>The service includes:</p> <ul style="list-style-type: none"> <li>• Infrastructure Delivery: Design, procurement and on-site delivery of the Transportation Capital Programme; Department for Transport Major Projects (£110m); Local Growth Fund (£35m), High Speed 2 (HS2) Connectivity Package (£1.2bn); Cycling (£20m); Public Realm (£20m); Management of private developments S278/S38 (£5m);</li> <li>• Project Delivery: Major regeneration projects and programme management office (e.g. Battery Park, Smithfield, Snow Hill);</li> <li>• Travel and Behaviour Change: Road safety education; safer routes to schools; sustainable transport; Birmingham Connected messaging around major developments and network disruption to influence people to change travel methods</li> </ul>	(0.213)	(0.300)	(0.300)	(0.300)

	<ul style="list-style-type: none"> <li>• Traffic Management: Development control; compliance with Traffic Management Act and network management duties; managing works on the highway; traffic regulation orders, street works coordination, permit scheme and HS2 construction;</li> <li>• Statutory Information: maintenance of statutory planning and highways registers, street addressing; and</li> <li>• The Council's contribution to the WMCA Transport Levy totals £47.667m in 2017/18</li> </ul> <p>We will class Traffic Management Approvals as a fundamental part of delivering the projects and as such we will include the associated costs within the overall project cost, subsequently funding them from capital as a part of the project implementation cost.</p> <p>An increased recharge target (60%) for the Head of Traffic Management will be applied along with a 20% target for the Assistant Director. In addition, activities in the Travel and Behaviour Change team relating to broader community engagement, schools, road safety and sustainable energy promotion would be scaled down.</p>				
<b>Property Strategy</b>	The proposal is to provide additional income from the Council's commercial property portfolio.	0.000	(0.500)	(1.000)	(1.000)
<b>Economy Total</b>		<b>(1.170)</b>	<b>(2.164)</b>	<b>(2.664)</b>	<b>(2.664)</b>

# BUDGET CONSULTATION 2018\*

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
Strategic Services					
Commissioning and Procurement - Business and Commercial Development Team	This service generates income from contract management and advertising on Council land and property. The proposal is to generate more income through re-negotiation and/or re procurement of existing contracts and reduce headcount through voluntary redundancy.	(0.328)	(1.028)	(1.165)	(1.245)
Benefits	<p>The Council's Benefit Service administers the Local Welfare Provision payments that enable the Council to provide financial support for vulnerable people in the city who find themselves in financial crisis.</p> <p>The proposal is to reduce local welfare provision in community support grants as it is currently within this area of Local Welfare provision that 90% of the available funds are utilised. This will leave crisis support untouched.</p>	(0.500)	(0.500)	(0.500)	(0.500)
Customer Services Citizens' Voice	The Citizens' Voice Team have transferred to Customer Service in the recent transfer of support staff into Strategic Services. The team consists of 14 staff (13 FTE). Following the corporate redundancy trawl five staff (4.75 FTE) successfully applied for voluntary redundancy. All had a final day of 31 October 2017. The engagement activities undertaken by the team are under review with Adult Social Care to ensure they best meet the needs of Citizens and Adult Social Care service users with changes to be implemented during 2018.	(0.268)	(0.268)	(0.268)	(0.268)
Strategic Services Total		(1.096)	(1.796)	(1.933)	(2.013)

**BUDGET CONSULTATION 2018\***

		Latest Savings			
Service area	Summary of proposal	2018/19 £m	2019/20 £m	2020/21 £m	2021/22 £m
<b>Corporate</b>					
<b>Efficiency</b>	Services will be required to adopt a range of efficiency measures in order to deliver services at a reduced cost.	(5.665)	(5.665)	(5.665)	(5.665)
<b>Commercialisation</b>	Developing a more commercial mind-set in the Council's approach to services.	(1.000)	(2.000)	(2.000)	(2.000)
<b>Corporate Total</b>		<b>(6.665)</b>	<b>(7.665)</b>	<b>(7.665)</b>	<b>(7.665)</b>
<b>Total Directorate Savings Proposals</b>		<b>(14.210)</b>	<b>(26.847)</b>	<b>(39.418)</b>	<b>(47.790)</b>



# SECTION 5

**How you can have your say on these proposals**

## HOW TO HAVE YOUR SAY

**The formal budget consultation for 2018+ closes on 15 January 2018:**

To let us know what you think fill in our online survey at [www.birminghambeheard.org.uk](http://www.birminghambeheard.org.uk)

If you would like to request a paper copy of the survey please email:  
[budget.views@birmingham.gov.uk](mailto:budget.views@birmingham.gov.uk)

Or write to: Budget Views, Room M49, the Council House,  
Victoria Square, Birmingham B1 1BB.

You can also attend the public meeting on:

- Wednesday, 10 January 2018  
6.00pm to 8.00pm in the Council House  
Victoria Square  
Birmingham B1 1BB.

To book your place, visit: [birmingham.gov.uk/brumbudget18](http://birmingham.gov.uk/brumbudget18)

We cannot respond individually to comments made but all views will be recorded and incorporated into a full report to be taken into consideration when councillors take their decisions on Birmingham's budget.

Please note that this document is part of the corporate consultation and the overall budget proposals. Consultation with specific groups of service users is also taking place where appropriate.

The immediate process for taking forward these proposals will be to carry out consultation with employees, members of the public and other stakeholders as appropriate whilst service led equality impact assessment will take place with reference to each proposal. All the information will be available to the council's decision makers in order to ensure that they are fully informed of relevant concerns prior to decisions being made.

### ALTERNATIVE FORMAT?

If you would like a copy of this document in an alternative format, please email: [budget.views@birmingham.gov.uk](mailto:budget.views@birmingham.gov.uk)



## Economy, Skills & Transport O&S Committee: Work Programme 2017/18

**Chair:** Cllr Zafar Iqbal

**Committee Members:** Cllrs David Barrie, Sir Albert Bore, Zaker Choudhry, Liz Clements, Phil Davis, Mahmood Hussain, Timothy Huxtable, Ziaul Islam, Josh Jones, John O'Shea, and Ken Wood

**Officer Support:** Scrutiny Officers: Rose Kiely (303 1730) & Baseema Begum (303 1668)  
Committee Manager: Errol Wilson (675 0955)

### 1 Meeting Schedule

Date	What	Officer Contact / Attendees
<b>15<sup>th</sup> June 2017</b> <b>(informal)</b> 1400 hours Committee Room 2	<b>Informal meeting</b> to discuss the Work Programme with input from Officers (where possible) on key Economic, Planning, Regeneration, Transportation and Skills and Learning issues.	Scrutiny Office
<b>**13<sup>th</sup> July 2017**</b> 1400 hours Committee Rooms 3&4	Cabinet Member for Transport & Roads: Portfolio priorities & upcoming work areas  Members private briefing on Highways PFI contract	Chris Brockie, Cabinet Support Officer  Kevin Hicks, Assistant Director, Highways & Infrastructure
<b>14<sup>th</sup> September 2017</b> 1400 hours Committee Rooms 2	Cabinet Member for Jobs & Skills: Portfolio priorities & upcoming work areas (TBC)  The Skills Agenda	Chris Brockie, Cabinet Support Officer  Shilpi Akbar, Assistant Director, Employment
<b>19<sup>th</sup> October 2017</b> 1400 hours Committee Rooms 3&4	Discussion on the Draft Parking Policy  Integrated Ticketing on Public Transport  Bus Stop Rationalisation	David Harris, Transportation Policy Manager  Matthew Lewis, Head of Swift, Transport for West Midlands  Jon Hayes, Head of Network Delivery & Danny Gouveia, Bus Scheme Development Manager, Transport for West Midlands



Date	What	Officer Contact / Attendees
<b>16<sup>th</sup> November 2017</b> 1400 hours Committee Rooms 3&4	East Birmingham & North Solihull Regeneration Strategy - Update  Birmingham Design Guide – Draft for consultation	Doug Lee, Development Planning Manager  Stuart Wiltshire, Principal City Designer
<b>14<sup>th</sup> December 2017</b> 1400 hours Committee Rooms 3&4	Review of Average Speed Enforcement Cameras Pilot  Budget Consultation	Mel Jones, Travel & Behaviour Change Manager  Councillor Stewart Stacey, Cabinet Member for Transport & Roads; Councillor Brett O'Reilly, Cabinet Member for Jobs and Skills
<b>18<sup>th</sup> January 2018</b> 1400 hours Committee Room 6	Flood Risk and Management Annual Report  TBC	Kerry Whitehouse, Project Leader - Drainage & Resilience
<b>15<sup>th</sup> February 2018</b> 1400 hours Committee Room 6	Update on Commonwealth Games  Cabinet Member for Transport & Roads: Portfolio priorities & upcoming work areas  20mph limits – Impact & evaluation of areas where it has been implemented (TBC)	Councillor Ian Ward, Leader  Chris Brockie, Cabinet Support Officer  Mel Jones, Travel & Behaviour Change Manager
<b>15<sup>th</sup> March 2018</b> 1400 hours Committee Room 6	Cabinet Member for Jobs & Skills: Portfolio priorities & upcoming work areas  Potential Implications of Brexit – including on European funding programmes  'Access to Finance'	Chris Brockie, Cabinet Support Officer  Lloyd Broad, Head of European and International Affairs  Sue Summers, CEO, Finance Birmingham
<b>19<sup>th</sup> April 2018</b> 1400 hours Committee Room 6	TBC	

## 2 Further work areas of interest/Work to be programmed

- 2.1 The following items could be scheduled into the work programme if members wish to investigate further:



- **Potential Inquiry:** The Future of Birmingham: Consequences of a growing population and economic growth.
- **Potential Inquiry:** The Skills Agenda: An analysis and evaluation of the skills programmes to date and future working with the Mayor and West Midlands Combined Authority.
- **Potential Inquiry:** Highways Maintenance and Management PFI contract
- West Midlands Rail Franchise – Effect on Birmingham and West Midlands
- Draft corporate Apprenticeship Strategy
- Economic impact of arts organisations
- Women's Enterprise Hub/ Women in the workplace
- Update on Bus Stop Rationalisation 6<sup>th</sup> month pilot – Summer 2018
- East Birmingham & North Solihull Regeneration Strategy – Update September 2018
- Birmingham Design Guide – Update (TBC)
- Urban Centres Framework – Draft for consultation – To be scheduled

### 3 Other Meetings

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#### Call in Meetings

'Birmingham Cycle Revolution: Woodgate Valley Green Route Full Business Case'  
Tuesday 13<sup>th</sup> June 2017, 11am, Room M93, Council House

'Birmingham Cycle Revolution: A38 Bristol Road (Selly Oak to City Centre) Full Business Case'  
Thursday 15<sup>th</sup> June 2017, 2pm, Committee Room 2, Council House

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#### Petitions

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*None  
scheduled*

#### Councillor Call for Action requests

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*None  
scheduled*

It is suggested that the Committee approve Thursday at 1400 hours as a suitable day and time each week for any additional meetings required to consider 'requests for call in' which may be lodged in respect of Executive decisions.

#### Contact Officers



Rose Kiely, Group Overview and Scrutiny Manager, [rose.kiely@birmingham.gov.uk](mailto:rose.kiely@birmingham.gov.uk) – 0121 303 1730  
Baseema Begum, Research & Policy Officer, [baseema.begum@birmingham.gov.uk](mailto:baseema.begum@birmingham.gov.uk) – 0121 303 1668

## 4 Forward Plan for Cabinet Decisions

The following decisions, extracted from the Cabinet Office Forward Plan of Decisions, are likely to be relevant to the Economy, Skills & Transport O&S Committee's remit. **Please note this is correct at the time of publication. Highlighted rows show a change to the previously listed cabinet proposed date.**

Reference	Title	Portfolio	Proposed Date of Decision
004162/2017	Delivery Team for the Curzon, EZ and HS2 East	Leader	14 Nov 2017
004456/2017	Commissioning of Arts Activities 2018-19 - PUBLIC	Deputy Leader	12 Dec 17
002536/2016	Former Curzon Street Station Refurbishment	Leader	12 Dec 2017
003203/2017	Enterprise Zone – Skills and Employment Investment Programme	Leader	12 Dec 2017
004220/2017	Council House Works – Phase 2	Leader	12 Dec 2017
004375/2017	Birmingham Local Development Scheme	Leader	12 Dec 2017
004430/2017	Budget 2018+ Consultation	Leader	12 Dec 2017
004258/2017	Highway Maintenance and Management PFI contract - Public	Transport & Roads	12 Dec 2017
004511/2018	Safety Works to Parks Pools and Flood Alleviation Works – Full Business Case	Clean Streets, Recycling & the Environment	24 Jan 2018
004144/2017	Regeneration of the Druids Heath Estate – Appropriation of the Former Baverstock School	Leader	24 Jan 2018
003724/2017	Taxi-only and publicly accessible Electric Vehicle (EV) Charging Network - Future Management and Development	Transport & Roads	24 Jan 2018
004305/2017	SPRINT Bus Rapid Transit Programme	Transport & Roads	24 Jan 2018
004556/2018	Acceptance of funding from Employment and Skills Fund for Progressive Pathways, Sustainable Integration and Skills and Growth Hub	Jobs & Skills	13 Feb 2018
004101/2017	Enterprise Zone Investment Plan 2017	Leader	13 Feb 2018
004111/2017	Draft Birmingham Urban Centres Framework for Inclusive Growth Public Consultation	Leader	13 Feb 2018



Reference	Title	Portfolio	Proposed Date of Decision
004155/2017	Innovation Birmingham Ltd	Leader	13 Feb 2018
004568/2018	West Midlands Growth Company Service Level Agreement 2018/19	Leader	13 Feb 2018
004617/2018	Peddimore - Disposal terms for development of Peddimore phase 1 and enabling and servicing of phase 2	Leader	13 Feb 2018
002864/2017	Snow Hill Square Improvement Scheme (Tranche 1)	Leader	06 March 2018
004150/2017	Paradise (Redevelopment) Update	Leader	24 Jan 2018

