

# **BIRMINGHAM CITY COUNCIL**

## **CABINET**

**TUESDAY, 17 OCTOBER 2023 AT 10:00 HOURS**  
**IN COMMITTEE ROOMS 3 & 4, COUNCIL HOUSE, VICTORIA**  
**SQUARE, BIRMINGHAM, B1 1BB**

## **A G E N D A**

### **1 NOTICE OF RECORDING/WEBCAST**

The Chair to advise/meeting to note that this meeting will be webcast for live or subsequent broadcast via the Council's Public-I microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.

### **2 APOLOGIES**

To receive any apologies.

### **3 DECLARATIONS OF INTERESTS**

Members are reminded they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at this meeting.

If a disclosable pecuniary interest is declared a Member must not participate in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

If it is a 'sensitive interest', Members do not have to disclose the nature of the interest, just that they have an interest.

<b><u>5 - 18</u></b>	4	<b><u>MINUTES</u></b>
		To confirm and sign the Minutes of the meeting held on the 5 September 2023.
	5	<b><u>EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC</u></b>
		a) To highlight reports or appendices which officers have identified as containing exempt information within the meaning of Section 100I of the Local Government Act 1972, and where officers consider that the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons outlined in the report.
		b) To formally pass the following resolution:-
		<b>RESOLVED</b> – That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.
<b><u>19 - 38</u></b>	6	<b><u>PROPOSED BALSALL HEATH NEIGHBOURHOOD COUNCIL: OUTCOME OF CONSULTATIVE RE-BALLOT AND NEXT STEPS</u></b>
		Report of the Strategic Director of City Operations
<b><u>39 - 68</u></b>	7	<b><u>RESOURCES FOR BIRMINGHAM CITY COUNCIL PRIORITIES - STANDING ITEM - BEAS ENERGY EFFICIENT GRANT (DEPARTMENT OF ENERGY SECURITY AND NET ZERO) FULL BUSINESS CASE</u></b>
		Report of Strategic Director Place, Prosperity and Sustainability
<b><u>69 - 126</u></b>	8	<b><u>LOCAL AUTHORITY HOUSING FUND - ROUND 2</u></b>
		Report of Strategic Director - City Housing
<b><u>127 - 148</u></b>	9	<b><u>RATIFICATION OF SELECTIVE LICENSING FEE</u></b>
		Report of Strategic Director City Operations
<b><u>149 - 170</u></b>	10	<b><u>PUBLIC SECTOR DECARBONISATION SCHEME EXTERNAL FUNDING APPLICATION FOR HIGHBURY</u></b>
		Report of Strategic Director Place, Prosperity and Sustainability

- 171 - 194**      11      **FULL BUSINESS CASE AND CONTRACT AWARD - FLAT ROOFING, DAMP AND STRUCTURAL WORKS AT COFTON PRIMARY SCHOOL**
- Report of Director for Children & Families
- 195 - 218**      12      **FULL BUSINESS CASE AND CONTRACT AWARD – REFURBISHMENT AND EXTENSION WORKS AT COFTON PRIMARY SCHOOL**
- Report of Director for Children & Families
- 219 - 234**      13      **ALLOCATION OF THE MARKET SUSTAINABILITY AND IMPROVEMENT FUND, MARKET SUSTAINABILITY AND IMPROVEMENT WORKFORCE FUND AND ADULT SOCIAL CARE DISCHARGE FUND**
- Report of Director for Adult Social Care
- 235 - 244**      14      **KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)**
- Report of Assistant Director - Procurement
- 245 - 254**      15      **NON KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)**
- Report of Assistant Director - Procurement
- 255 - 262**      16      **APPOINTMENTS TO OUTSIDE BODIES**
- Report of the City Solicitor and Monitoring Officer.
- 17      **OTHER URGENT BUSINESS**
- To consider any items of business by reason of special circumstances (to be specified) that in the opinion of the Chair are matters of urgency.





# BIRMINGHAM CITY COUNCIL

<b>CABINET MEETING</b> <b>TUESDAY, 5 SEPTEMBER</b> <b>2023</b>
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**MINUTES OF A MEETING OF THE CABINET COMMITTEE HELD ON**  
**TUESDAY 5 SEPTEMBER 2023 AT 1000 HOURS IN COMMITTEE**  
**ROOMS 3&4, COUNCIL HOUSE, VICTORIA SQUARE, BIRMINGHAM, B1**  
**1BB**

**PRESENT:** - Councillor Sharon Thompson, Deputy Leader in the Chair

Councillor Nicky Brennan, Cabinet Member for Social Justice, Community Safety and Equalities

Councillor Liz Clements, Cabinet Member for Transport

Councillor Brigid Jones, Cabinet Member for Finance and Resources

Councillor Mariam Khan, Cabinet Member for Health and Social Care

Councillor Majid Mahmood, Cabinet Member for Environment

Councillor Karen McCarthy, Cabinet Member for Children, Young People and Families

Councillor Saima Suleman, Cabinet Member for Digital, Culture, Heritage and Tourism

**ALSO PRESENT:-**

Councillor Robert Alden, Leader of the Opposition (Conservative)

Councillor Morriam Jan (Liberal Democrat)

Councillor Ewan Mackey, Deputy Leader of the Opposition (Conservative)

Timothy Bell, Consultant, Corporate Finance

Janie Berry, City Solicitor and Monitoring Officer

Richard Brooks, Director, Strategy Equalities and Partnerships

Deborah Cadman, Chief Executive

Paul Clarke, Assistant Director (Programmes, Performance and Improvement)

Craig Cooper, Strategic Director of City Operations

Louise Collett, Assistant Director Commissioning, Adult Social Care

Domenic De Bechi, PFI Contract Manager

Cheryl Doran, Assistant Director and CIO, Digital and Customer Services

Nic Fell, Programme Manager, Finance and Governance

Fiona Greenway, Interim Finance Director and Section 151 Officer

Susan Harrison, Director for Children and Families

Paul Langford, Interim Strategic Director, City Housing

Richard Lloyd-Bithell, Assistant Director, Financial Strategy

Philip Nell, Director of Property and Investment

Stephen Philpott, Director, Housing Solutions and Support Service

Mohammed Sajid, Interim Head of Financial Strategy

Steve Sandercock, Assistant Director, Procurement

Mark Shelswell, Assistant Director, City Operations

Jake Sumner, Policy Advisor, Partnership Insight and Prevention

Jo Tonkin, Assistant Director, Partnerships Insight and Prevention

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### **NOTICE OF RECORDING/WEBCAST**

217. The Chair welcomed attendees and advised, and the Committee noted, that this meeting will be webcast for live or subsequent broadcast via the Council's Public-1 microsite ([please click this link](#)) and that members of the press/public may record and take photographs except where there are confidential or exempt items.
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### **APOLOGIES**

218. Apologies for absence were submitted on behalf of, Councillors John Cotton, Leader of the City Council, Jayne Francis and Roger Harmer. Professor Graeme Betts, Dr Justin Varney, Paul Kitson, and Dr Peter Bishop.
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### **DECLARATIONS OF INTERESTS**

219. The Chair reminded Members that they must declare all relevant pecuniary and other registerable interests arising from any business to be discussed at the meeting.

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If other registerable interests are declared a Member may speak on the matter only if members of the public are allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless they have been granted a dispensation.

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Any declarations will be recorded in the minutes of the meeting.

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### **MINUTES**

Councillor Karen McCarthy, Cabinet Member for Children, Young People and Families stated that as a point of clarification in relation to the item on *Independent Travel Training – Permanent Positions* Councillor Roger Harmer asked about the views of one of the testimonials – Ms Angela Burkett. The AD Home to School Transport and that she was happy to confirm that Ms Burkett was not an active member of the Parent Carer Forum. Councillor McCarthy also confirmed that all the testimonials were supplied in the knowledge that

they would be part of that report, but Ms Burkett was entitled to do as she had expressed her concerns via the social media accounts.

**220. RESOLVED: -**

The Minutes of the meeting held on 25 July 2023, having been previously circulated, were confirmed and signed by the Chair.

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**EXEMPT INFORMATION – POSSIBLE EXCLUSION OF THE PRESS AND PUBLIC**

The Chair advised that the reports at Agenda items 12, 13, 14 and 17 contained an exempt appendix within the meaning of Section 100I of the Local Government Act 1972.

The Chair then enquired whether there were any matters that Members would like to raise on the exempt appendix that may affect the decision to be made or to ask for clarification on a point on the exempt appendix.

As there were no matters that Members wished to raise in relation to the exempt appendices, the Chair advised that the public meeting would carry on to consider the recommendations.

**221. RESOLVED:-**

That, in accordance with Regulation 4 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, the public be excluded from the meeting during consideration of those parts of the agenda designated as exempt on the grounds that it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the press and public were present there would be disclosure to them of exempt information.

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**222. At this juncture the Chair Councillor Sharon Thompson and Deputy Leader of the City Council, made the following statement:-**

*As you all now know, the Section 151 Officer Fiona Greenway has formally issued a Section 114 Notice to the Government, advising that the Council is unable to close its budget gap in the year ahead.*

*As a consequence, some reports scheduled for this meeting today have been deferred but I want to stress that despite the significant challenges that we face, we will prioritise core services that our residents rely on, in line with our values of supporting the most vulnerable.*

*Birmingham City Council faces long-standing issues, including the Council's historic Equal Pay Liability, and the implementation of the Oracle ERP system, which have been compounded by the reality that Birmingham has had £1 billion of funding taken away by successive Conservative governments.*

*Local government is facing a perfect storm. Like councils across the country, it is clear that this council faces unprecedented financial challenges, from huge increases in adult social care demand and dramatic reductions in business rates income, to the impact of rampant inflation.*

*SIGOMA, who represent large local authorities, recently warned that up to 26 local authorities could issue a section 114 notice in the next two financial years. We implemented rigorous spending controls in July, and we have made a request to the Local Government Association for additional strategic support. Today's issuing of a Section 114 Notice is a necessary step as we seek to get our city back on a sound financial footing so that we can build a stronger city for our residents.*

*This is a challenging time for the council, but we are doing everything that we possibly can to continue supporting the people of Birmingham.*

The Chair then invited Fiona Greenway the Section 151 officer to present her statement in relation to the Section 114 Notice. However, due to technical difficulties Deborah Cadman, Chief Executive was asked to read the following statement submitted by Fiona Greenway:-

*As the Council's statutory Section 151 Officer, made under section 114 (3) of the Local Government Act 1988, I have issued a Section 114 Notice to Birmingham City Council. It's important that I explain the position before Cabinet move in their reports.*

1. *I have issued my Section 114 report because of the following individual factors as outlined in section 2 of the report:*

- a. *Correspondence from External Audit on 1<sup>st</sup> September 2023 which raises concerns around the provisions for Equal Pay in prior year accounts, 2020/21 and 2021/22, being materially understated which means the Council would have exhausted its General Fund balance on an accounting basis.*
- b. *Further confirmation of the historic value of the potential Equal Pay liability impacting prior years, which is becoming more evident that it is unaffordable for the council based on existing available reserves. Since the announcement of the Equal Pay liability we have received additional correspondence to put the Council on notice of further litigation from recognised Trade Unions and claimant lawyers.*
- c. *Correspondence from External Audit on 1<sup>st</sup> September 2023 also enquires around the likelihood of the Council being able to generate savings, additional revenue income, and/or capital receipts to mitigate the financial challenges.*
- d. *A projected deficit of £87m for the 2023/24 financial year, for which the Council does not have sufficient reserves based on the Equal Pay liability above, which is forecast to grow in the 2024/25 financial year.*
- e. *Concerns over the speed and effectiveness of the mitigations which have been put in place to address the in-year budget challenges, and the ability of the Council to address our financial position. We must now make challenging financial decisions and stop non-essential spending.*
- f. *Extensive discussions with External Auditors, regulatory stakeholders, and leading Kings Counsel who have confirmed our assessment of our financial position (i.e. liabilities exceeding assets) and statutory position (i.e. the*

*requirement to issue a S114). This advice has confirmed the points raised above and the case for issuing a S114 notice.*

*In light of the Section 114 Notice, I have reviewed all of the Cabinet Reports here today, and advised on which ones can go forwards and the reports which will need to be deferred for further consideration.*

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**AGENDA ITEMS REFERRED TO THE SECTION 151 SPENDING CONTROL BOARD**

**223.** The following items on the Agenda was referred to the Section 151 Spending Control Board:-

- NEC Masterplan and Property Strategy
  - Establishment of a Special Purpose Vehicle to Deliver the European Athletics Championships Birmingham 2026
  - Acivico Further Contract Extension
  - Cost of Living Emergency Programme – Phase 2
  - Staying Independent at Home: Adaptation and Improvement Service Contract Award
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**WEST MIDLANDS DEEPER DEVOLUTION DEAL**

Councillor Sharon Thompson, Deputy Leader introduced the item and drew the attention of Cabinet to the information contained in the report.

Following a brief discussion it was

**224. RESOLVED UNANIMOUSLY: -**

That Cabinet agreed the DDD and the in-principle award of Bus Service Operator's Grant as a Mayoral function. This is in line with the city council leadership's expressed support for the DDD at the time of its publication in March 2023.

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**SECURING EMERGENCY TEMPORARY ACCOMMODATION**

Councillor Brigid Jones, Cabinet Member for Finance and Resources introduced the item in the absence of Councillor Jayne Francis and drew the attention of Cabinet to the information contained in the report highlighting the key points.

Stephen Philpott, Director, Housing Solutions and Support Service noted Councillor Robert Alden's query in relation to paragraphs 3.4 and 3.5 of the report and advised that it was largely about the ability of the local authority to book hotels when it needed hotel provisions for people like officers etc. As a mechanism it was not the ideal route to be booking emergency temporary accommodation but was one we had to use given the circumstances of our need. The reason for seeking the approval today and the ability to use

Regulation 10 was that was a better tool for the bulk of our need in terms of emergency accommodation. Travelperk UK IRL Ltd (Click Travel) in terms of what was described by Councillor Alden was correct in that travel perks was used because it was the best we had available as a mechanism.

**225. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- I. Approved the use of Regulation 10.1 (a) of the Public Contract Regulations 2015 (PCR15) to put in place direct rental contracts for land or existing buildings or interests or rights in them with providers supplying Emergency Accommodation (EA);
- II. Approved the strategy for the procurement activity in 7.4 and delegates authority to the Interim Strategic Director of City Housing in conjunction with the Assistant Director Corporate Procurement, the Interim Director of Finance (Section 151) and the City Solicitor & Monitoring Officer (or their delegates) to approve the award of negotiated direct rental contracts with selected providers to supply the Council with EA capacity to meet the Council's statutory obligations; and
- III. Authorised the City Solicitor (or their delegate) to negotiate, execute and complete all necessary documentation to give effect to the above recommendations.

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**PO403 PACKAGE 4: PROCESSING OF DRY MIXED RECYCLING (DMR)**

Councillor Majid Mahmood, Cabinet Member for Environment presented the item and drew the attention of Cabinet to the information contained in the report. Councillor Mahmood highlighted that the contract gives us flexibility once the technological solutions were in place to collect a wider range of recycling type which would help to increase recycling and reduce the need for landfill or incineration. He added that in terms of the latest development with the Council's finances this Cabinet Committee would act as the spending control review panel as the cost was greater than £0.5m. This proposal was designed to meet our statutory obligations with regards to recycling and will follow the proper procurement process.

Councillor Robert Alden sought assurance that the procurement was done in a way that draws a range as big as possible of competitive bids that could be submitted that was not done in a prohibitive manner that would restrict competition.

Councillor Mahmood responded that most of the information was contained in the private part of the report and that a discussion could be had regarding the issue.

**226. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- Authorised the Strategic Director of City Operations to enter into a three-year (3) Agreement with Veolia Environmental Services (UK) PLC (Veolia) for the Processing of Dry Mixed Recycling (DMR) commencing 17 January 2024;
- Authorised that the Strategic Director, City Operations in conjunction with the Director, Street Scene will agree any option to extend for up to two (2) years subject to satisfactory performance and budget availability; and
- Authorised the City Solicitor and Monitoring Officer (or their delegate) to execute, seal and complete all necessary documentation to give effect to the above recommendations.

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**HIGHWAY MAINTENANCE AND MANAGEMENT PFI CONTRACT –  
COMMERCIAL ARRANGEMENTS**

Councillor Liz Clements, Cabinet Member for Transport presented the item and drew the attention of Cabinet to the information contained in the report. Councillor Clements then expressed thanks to the officers for the work that had been done over a number of years to carry through the procurement. She further expressed thanks to Kevin Hicks who has left the authority earlier this year.

In response to questions and comments from Councillor Alden, Craig Cooper, Mark Shelswell and Domenic De Bechi made the following statements:-

- a. The procurement has been conducted by Birmingham Highways Limited and was a process that was still ongoing.
- b. We were being asked as a partner of theirs to confirm that we were content with the way that the procurement exercise had been conducted appropriately and to confirm that we were content that we were demonstrating value for money.
- c. They have produced with our oversight the full business case and in that full business case they had addressed each of the value for money criteria that the Department for Transport and His Majesty Treasury laid out and we had confirmed that we were in line with that.
- d. The point at which the contractors were informed we would ensure that that information was shared but at this point as we were still live with the procurement process it was not appropriate for us to share that information as it was not our decision to award but Birmingham Highways Limited's decision to award.
- e. This was a live procurement that we were currently in the middle of and the two bidders that we had (one being the preferred bidder) were private entities, commercially traded entities so releasing that information now ahead of the contract award date could be considered to be inside information. People could go out to look to invest in those companies which could affect their financial standings.
- f. The Council had taken legal advice from its legal advisors DLA Piper on this point and a number of other points that we have with overseeing the procurement.

- g. We had to be mindful of the fact that there were a number of other stakeholders and parties that were interested in this procurement.
- h. Some of the information we had was commercially confidential and we cannot share it, some of the information we do not have permission from some of the other parties to share especially some of the information around the 2019 agreement.
- i. As officers part of our responsibility was to ensure we were protecting the Council's position and the potential exposure to any claims from any of those parties as we move forward.
- j. We believe the evaluation and the oversight we have as part of this had been conducted appropriately. We have carried out our due diligence for both bidders and we believe either one could be capable of delivering the services, but the preferred bidder was our optimal choice.
- k. We have overseen the evaluation process that has been assessed and independently tested by the advisors that we have on the project. We were confident that we had the level of assurance around the preferred bidder and their appointment to provide assurance back to Cabinet and to Council and the citizens of Birmingham that the procurement was carried out effectively.
- l. In terms of footways we could not disclose the amounts that were in the private report around the investment that we would get from the private bidder into footways.
- m. Footways risks sat with the Council so we have got far more control over where we target that resource and would expect to see as we move forward with the new provider an active programme of work that we manage every year to ensure that footway works was delivered in a timely and appropriate manner.
- n. No one was aware of who the preferred bidder was other than the evaluation team and BHL and we have not shared the information with the Department of Transport either as it was a live procurement and the DfT was taking assurance from the process we have undertaken.
- o. The key point here was that the evaluation was based against the evaluation criteria that had been set out and the preferred bidder was being selected on that basis. The identity of the preferred bidder should not matter in that decision.

**227. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

(i) Approved :-

(a) The Full Business Case (FBC) attached at Appendix A1 to the report (Full Business Case);

(b) Subject to receiving approval from Government:

(i) The appointment of a preferred bidder by Birmingham Highways Limited (BHL) following the agreed procurement process; and



## **Cabinet Committee – 5 September 2023**

(ii) That the Council enters into revisions to the PFI contract with BHL implementing the commercial arrangements set out in in Appendix A to the report;

(c) The sources of assurance proposed in Appendix A to the report and approved the resources to put these in place assumed in Appendix A5.

(ii) Delegated authority to:-

(a) The Strategic Director of City Operations and Director of Finance (s151 Officer) or their Delegates to finalise outstanding commercial matters within the parameters set out in Appendix A to the report;

(b) The Strategic Director of City Operations and Director of Finance (s151 Officer) or their Delegates to enter into a joint agreement with BHL for the provision of an Independent Certifier to meet the revised terms of the PFI contract variation approved under (i) (b) (ii) above;

(c) The Assistant Director, Highways and Infrastructure to implement the necessary changes to the structure of the Highways and Infrastructure service to provide the assurance set out in Appendix A to the report, given the proposed changes to the contract, within the identified and approved cash limits; and

(d) The City Solicitor (or their Delegate) to negotiate and complete all necessary documentation to give effect to the above recommendations.

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## **CORPORATE PLAN 2022- 2026: PERFORMANCE AND DELIVERY MONITORING REPORT**

The Deputy Leader, Councillor Sharon Thompson introduced the item and drew the attention of Cabinet to the information contained in the report highlighting the key points.

In response to questions and comments from Members the officers made the following statements:-

- a. In relation to the Council Tax we have now started to reengaged in terms of enforcement actions and had started chasing these and the direct debit was now working so we should start seeing some improvement as we go through the year.
- b. In terms of the medium-term financial strategy we currently had a budget gap for this year and over the next three years, but it was hoped that this would improve as we go through the year in terms of savings and other efficiencies it was expected that this would be positive as we get through the autumn and was aiming to set a balanced budget.
- c. When Oracle came in there was a transition period and enforcement action was stopped as we wanted to ensure that the records were clean. As things were getting better now we should be back up to the collection and taking action where we needed to take action.
- d. With regard to the budget gap every year at the first part of the year the budget gap has been identified to ascertain what the gap would be for

the next three years with work taking place and Corporate Leadership Team (CLT) and other colleagues discussing budget savings, and these should be available within the next three months. The Chief Executive undertook to arrange for a written statement to be provided to this meeting concerning the issue.

- e. Concerning the Private Rented Sector the number of properties we had to inspect each year was about 500. We were looking to benchmark our performance against other authorities, and this was a piece of work that was ongoing. In relation to the point of success Craig Cooper undertook to get back to Councillor Mackey to work the issue through with him.

Councillor Majid Mahmood stated that in terms of the graffiti, the percentage of clearance of 14.3% was low and the performances was not good enough. He added that he had taken the issue up with the officers as he was assured that offensive racist graffiti was removed within 24 hours of it being notified to the team. There appeared to be an issue with multiple reporting including third party platforms and this was delaying the reports reaching the team. We were looking at what could be done as well as resourcing.

Councillor Majid Mahmood noted Councillor Jan's comments concerning the recycling rates and advised that these were improving, and we were looking at how we could do more as this was an area where there was room for improvement. We recently ran a mini campaign on social media based on a video that puts out the key message what could and could not be recycled in an effort to reduce contamination. We have also proactively promoted the fact that people with enough storage space could request a second recycling bin. We wanted to help people recycle as much waste as possible which will improve our rate and help us on to the route of net zero and generate income for the city. We were continuing work with a range of partners such as *Keep Britain Tidy* and *Reed London*.

In terms of the Household Recycling Centres, we were finalising plans that would extend the range of materials that could be recycled – bulky waste service in its present form. Regarding net zero as a Council we could not get to where we wanted to get to with net zero. We were engaging with young people and there will be some community engagement with postcode lottery defining who we needed to engaged with across the city. There were also newsletters that everyone could sign up to where we informed people of where we have gotten to with net zero.

Councillor Clements noted Councillor Jans comment in relation to public transport and other contributions from transport and advised that we were using our net surplus revenue from the Clean Air Zone to invest in public transport infrastructure and promoting air quality monitors in schools and safe routes around the schools so that people could feel safe to walk with their children to school. This was a key element in decarbonising our transport system but also tackling congestion and air pollution. In terms of public transport we should not forget that buses in Birmingham were the mass transit system and that across the West Midlands 700k people take the buses every day. The Council was not the provider of public transport.

Richard Brooks, Director, Strategy Equalities and Partnerships referred to the social media item and stated that the total number of followers indicated in the report was for all of our different channels, and we had one of the largest followership of any Council. The benchmark was set relative to other places that were smaller as a proportion of their population. Within that overall number of about 290k followers we had significant and growing followings in our most innovative channels – TikTok 700k views per month of Birmingham City Council's videos, a vibrant Twitter and a LinkedIn account where we were seeing the growth in our social media followership.

The Deputy Leader expressed thanks to all the officers concerned for all of their efforts and ensuring we were thriving as best we could and moving things forward.

**228. RESOLVED UNANIMOUSLY: -**

That Cabinet noted the performance and progress against the priorities and ambitions set out in the Council's Corporate Plan 2022-2026.

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**ACCEPTANCE OF RECOMMENDATIONS FROM SEND COMMISSIONER'S SECOND REPORT**

Councillor Karen McCarthy, Cabinet Member for Children, Young People and Families presented the item and drew the attention of Cabinet to the information contained in the report highlighting the key points.

Councillor Robert Alden referred to the written update in the appendix to the report and requested that a verbal update be given to the Committee now concerning what has happened in the action plan since July 2023. He further enquired whether the Council has made the Commissioner aware of the issues within Oracle both financial and the impact it had on the Council to be able to do DBS checks, right to work checks to ensure that new starters in this area given the historical issues of failed DBS checks in this area, the equal pay issues and the Housing Ombudsman issues. He then expressed congratulations to all the staff on the progress so far on the service in this area and the work they have been putting in. Councillor Alden requested that the Cabinet Member to submit an assessment around what impact these spending control was now having on the ability to progress these action plans and improvement in this area going forward.

Councillor McCarthy responded that this was us reporting the report of the Commissioner rather than an update on the Accelerated Progress Plan, but we will look at how we make information available. She added that it linked to the child friendly city work rather than the specifics of SEND that all our other services were important to how our children and young people grow up and thrive in the city. From the whole portfolio this was not a narrow discussion on our children and young people with additional needs it linked strongly to the child friendly city work.

Susan Harrison, Director for Children and Families advised that regular one to ones with the Commissioner as well as our agenda setting work meetings and

Improvement Board meetings. She highlighted that John Coughlan was well briefed on any potential challenges that the Council was facing that could impact on our SEND improvement journey. We reported regularly at the SEND Improvement Board against the criteria for the Accelerated Progress Plan and we have met the milestones. As the report stated we were starting from a low base and there was still a lot of work to do but we were delivering what we say we would deliver by the timescales which was set out in the Plan.

The Chair placed on record her thanks to the SEND Improvement Board and John Coughlan for his report and the work that he has done here in Birmingham. Councillor McCarthy and Susan Harrison in particular and everyone in the directorate that was involved with all the work as this was vital to all the SEND young people within our city.

**229. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- 1) Accepted the recommendations made by the Commissioner in his second report (published May 2023, dated February 2023);
- 2) Noted the updated action plan appended with this report that sets out progress against the recommendations set out in the Commissioner's first report (published May 2022); and
- 3) Noted the action plan appended with this report that sets out how the recommendations from the Commissioner's second report will be addressed and the progress made since the Commissioner drafted his report.

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**KEY DECISION PLANNED PROCUREMENT ACTIVITIES (OCTOBER 2023 – DECEMBER 2023) AND QUARTERLY CONTRACT AWARD SCHEDULE (APRIL 2023 – JUNE 2023)**

Councillor Brigid Jones, Cabinet Member for Finance and Resources introduced the item and drew the attention of Cabinet to the information contained in the report.

Councillor Robert Alden referred to the Electronic Bill Payment and Pre-paid Cards item and enquired why this was only coming forward now as we would have known the day the contract was signed when it was expiring. He enquired why this was not submitted at an earlier Cabinet meeting.

Steve Sandercock, Assistant Director, Procurement undertook to bring back additional information as to the timetable on this as it was unclear as to whether there was any issues as to the lateness behind that.

**230. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

### **Cabinet Committee – 5 September 2023**

- ❖ Approved the planned procurement activities as set out in Appendix 1 to the report and approved Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy; and
- ❖ Noted the contract award decisions made under Chief Officers delegation during the period April 2023 – June 2023 as detailed in Appendix 5 to the report.

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### **NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (OCTOBER 2023 – DECEMBER 2023) AND QUARTERLY CONTRACT AWARD SCHEDULE (APRIL 2023 – JUNE 2023)**

Councillor Brigid Jones, Cabinet Member for Finance and Resources introduced the item and drew the attention of Cabinet to the information contained in the report.

**231. RESOLVED UNANIMOUSLY: -**

That Cabinet:-

- (i) Approved the planned procurement activities as set out in Appendix 1 and 2 to the report and approved Chief Officer delegations, set out in the Constitution for the subsequent decisions around procurement strategy; and
- (ii) Noted the contract award decisions made under Chief Officers delegation during the period April 2023 – June 2023 as detailed in Appendix 3 to the report.

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### **OTHER URGENT BUSINESS**

**232.** No item of urgent business was raised.

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The meeting ended at 1113 hours.

.....  
CHAIRPERSON



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Proposed Balsall Heath Neighbourhood Council**

### Commissioner Review

Recommendation 1 is supported by Commissioners. However, Commissioners advise that no decision on commencing a review of the processes be taken at this time. Firstly, the Secretary of State has announced a review, to be run alongside the Commissioner-led intervention, which could look at wider governance issues. It would not be appropriate to commence work on the proposed review until the outcomes of the Secretary of State's initiative is known. More importantly, now that the Directions are in place, it is fundamental that the Council focusses all its resources, both Member and Officer, on documenting and delivering the agreed Improvement programme. This activity, even if it were to be a specific inclusion, is not likely to be an early area for activity. The recommendation to undertake this review should be deferred.





## Public Report

## Birmingham City Council

## Report to Cabinet

17 October 2023



**Subject:** **Proposed Balsall Heath Neighbourhood Council:  
Outcome of Second Consultative Ballot and Next Steps**

**Report of:** Craig Cooper, Strategic Director of City Operations and  
Janie Berry, City Solicitor and Monitoring Officer

**Relevant Cabinet Member:** Councillor John Cotton, The Leader of the Council

**Relevant O & S Chair(s):** Councillor Shabrana Hussain, Chair of Neighbourhoods O&S  
Committee

**Report author:** Tony Smith  
[tony.smith@birmingham.gov.uk](mailto:tony.smith@birmingham.gov.uk)  
Policy Executive & Strategic Partnerships Lead

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Balsall Heath West, Sparkbrook and Balsall Heath East		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011689/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

## 1 Executive Summary

- 1.1 A Community Governance Review consultation on the proposal to create a new parish (neighbourhood) council in Balsall Heath was carried out between January and July 2022. Cabinet then approved the recommendation of the Review that the process should move to the next stage and a consultative ballot be conducted amongst all the electors of the area. The result was reported to Cabinet in January 2023. Nearly 80% of respondents voted in favour of the proposal, but the turnout was below the required threshold at 22%. Cabinet therefore resolved that further engagement and a second ballot be conducted to confirm the level of interest in and support for the proposal.

- 1.2 The result of the ballot is detailed in 3.3. The result was similar to the first ballot, with a large majority in favour but a turnout below the 25% threshold. Consequently, Cabinet is now recommended to reject the proposal.
- 1.3 Cabinet is also recommended to approve a review of the process for creating parish councils, to ensure that lessons are learned.

## **2 Recommendations**

### **2.1 Cabinet is recommended to:**

- Reject the current proposal for a new parish council in Balsall Heath.
- Approve a review of the process for the creation of new parish councils in Birmingham, adopted in May 2021, to be completed by early 2024.

## **3 Background**

- 3.1 Cabinet approved a policy statement on the process for creating new parish (neighbourhood) councils within the city in May 2021. The process includes a consultative ballot and requires that a turnout threshold is reached. In accordance with this policy, and relevant legislation and statutory guidance, Cabinet decided to conduct a Community Governance Review (CGR) in Balsall Heath in November 2021.
- 3.2 Cabinet received the report of that Review in July 2022 and decided to proceed to the next stage: further engagement with the community and information provision followed by a consultative ballot of all electors in the area to give a further view on whether they wish to have a new council. The result of the ballot showed that some 78% of those who responded approved the proposal. However, the turnout of 22% fell short of the threshold set at 25%. Following this inconclusive result, Cabinet decided to engage further with the community and to organise a second ballot, and this was conducted during June 2023.
- 3.3 The result of the second ballot was as follows:

Number of eligible voters:	10692
Total number of votes cast:	2255
Turnout:	21.09%
Total number of valid votes counted:	2251
Number of votes found to be invalid:	4
Number voting YES (and percentage):	1672 (74.1%)
Number voting NO (and percentage):	579 (25.7%)

- 3.4 This result shows that a large majority of those who voted supported the proposal. However, the turnout is about 4%, below the threshold required.

## **4 Options considered and Recommended Proposal**

### **4.1 Two options were considered:**

- a) The proposal should go ahead because of the large majority who voted in favour and the fact that the turnout threshold was almost reached, in addition to other evidence from the CGR that it is supported in the community.
- b) The proposal should be rejected, as the turnout threshold was not met, and it is important that Cabinet make decisions consistent with agreed policy.

### **4.2 Option b) is recommended for the reason stated.**

### **4.3 This is the first time that the agreed process has been used and it is important to learn from it and adapt policy for use when further proposals arise in the future. It is therefore also proposed that a quick review be carried out on the current process and that Cabinet receives a report with any recommendations for change.**

## **5 Consultation**

### **5.1 The consultative ballot provides a robust mechanism to test the breadth of support for a new parish council by giving every elector in the area a choice to give a “yes” or “no” view, based on the provision of full information. However, it was just one stage in a process of consultation and engagement on the proposal.**

### **5.2 The CGR report in July 2022 set out in detail the consultation undertaken as part of the review and the feedback received. A variety of methods were used to consult residents and other stakeholders:**

- A questionnaire survey on Be Heard (the City Council’s on-line survey tool).
- Discussions with groups in the neighbourhood.
- Responses by email or post (key stakeholders were invited to comment).
- Phone calls to the Neighbourhood Development Support Unit.

### **5.3 The councillors for the two wards which contain the proposed council area have been consulted throughout as key stakeholders.**

### **5.4 Following the outcome of the second ballot, the Leader of the Council received a submission from the steering group who made the proposal giving reasons for proceeding with it. A petition from residents calling for an end to further consideration of the proposal was also received at full council.**

## **6 Risk Management**

### **6.1 The CGR process included an assessment of risks involved in creating a new neighbourhood council, as required by statutory guidance.**

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council’s priorities, plans and strategies?**

7.1.1 The recommendations and the process adopted are in line with the Working Together in Birmingham's Neighbourhoods white paper and the Policy Statement on parish councils adopted in May 2021. The objectives of supporting stronger communities and neighbourhood democracy are reflected in the Corporate Plan.

## **7.2 Legal Implications**

7.2.1 The CGR process has been conducted in accordance with all relevant legislation and statutory guidance (see background documents below).

## **7.3 Financial Implications**

7.3.1 There are no financial implications as a result of the recommendations in this report. The proposed process review will be undertaken within existing officer time.

## **7.4 Procurement Implications (if required)**

7.4.1 None.

## **7.5 Human Resources Implications (if required)**

7.5.1 None.

## **7.6 Public Sector Equality Duty**

7.6.1 Equalities and community cohesion are an important aspect of the CGR process and have been a priority in carrying out the review.

7.6.2 An Equality Impact Assessment has been conducted and is appended to this report.

## **8 Background Documents**

- [Balsall Heath Community Governance Review Terms of Reference \(January 2022\)](#)
- [Community Governance Review: Balsall Heath \(Cabinet Report\) \(December 2021\)](#)
- [Statement of the Process for Creating New Parish Councils in Birmingham \(May 2021\)](#)
- [Working Together in Birmingham's Neighbourhoods \(White Paper\) \(January 2019\)](#)
- [Report of the Community Governance Review on the proposed Balsall Heath Neighbourhood Council \(attached at Appendix 1 to the Cabinet report of July 2022\).](#)
- [Report to Cabinet January 2023 on outcome of first ballot](#)
- [Equality Impact Assessment re Balsall Heath Neighbourhood Council Consultative Ballots and Next Steps \(August 2023\)](#)

### **8.1 List of Appendices accompanying the report**

- Equality Impact Assessment

Title of proposed EIA	Balsall Heath Proposed Neighbourhood Council
Reference No	EQUA1190
EA is in support of	New Function
Review Frequency	No preference
Date of first review	01/03/2024
Directorate	City Operations
Division	Neighbourhood Development and Support Unit (NDSU), and Policy Executive (Partnerships and Strategy)
Service Area	Localism
Responsible Officer(s)	<input type="checkbox"/> Claire S Hardwick
Quality Control Officer(s)	<input type="checkbox"/> Karen Cheney
Accountable Officer(s)	<input type="checkbox"/> Chris Jordan
Purpose of proposal	BCC's consideration of a proposed Neighbourhood Council in Balsall Heath
Data sources	Consultation Results
Please include any other sources of data	<p>Community Governance Review (CGR) - which included consultation via BCC's Be Heard, Email, Phone and and community based discussions (using the BeHeard questions as a basis for Group discussions with the feedback / summary of discussion being summarised by group facilitator and emailed into NDSU to be included in the CGR initial stage consultation).</p> <p>Two independently held Consultative (postal) Ballots - initial ballot held Autumn 2022 and a Re-Ballot June 2023.</p>
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders; Wider Community
Age details:	<p>Balsall Heath has a relatively young population.</p> <p>The 2011 Census data showed that the majority of people living in both Sparkbrook and Balsall Heath East Ward and in Balsall Heath West</p>

Ward were aged between 10 - 59 years. With aged 18-44 years being the largest age group/s in both Wards.

All residents living in the proposed Balsall Heath Neighbourhood Council area would be impacted upon by a Balsall Heath Neighbourhood Council (NC). All Balsall Heath residents living in the proposed NC area who are over 18 years of age and eligible to vote in local and general elections were sent a postal ballot paper and additional information about the proposal and encouraged to use their vote and have their say - whether they supported a proposed NC for Balsall Heath or not. The results of the two consultative ballots that have been held were then considered by BCC Officers. We do not have an age breakdown from Civica Election Services as to who voted and their age - as the vote was anonymous.

Please note: in the Cabinet report re the result of the re-ballot and recommended next steps, the recommendation to Cabinet is that a NC is not formed in Balsall Heath at this stage as the voter turnout did not meet the 25% threshold currently required by BCC Policy for this result to be seen as valid.

Protected characteristic: Disability

Disability details:

Service Users / Stakeholders; Wider Community

We do not have this information for the specific area of Balsall Heath covered by the proposed Neighbourhood Council.

However, based on what we know from working in Balsall Heath NC area - we believe there is a higher than average (taking the average for Birmingham and UK) level of disabled people living in Balsall Heath - this is across all age groups.

Protected characteristic: Sex	Service Users / Stakeholders; Wider Community
Gender details:	We do not have this information breakdown for the area of Balsall Heath covered by the proposed NC.
Protected characteristics: Gender Reassignment	Service Users / Stakeholders; Wider Community
Gender reassignment details:	As above, we do not have this information for the area of Balsall Heath covered by the proposed NC.
Protected characteristics: Marriage and Civil Partnership	Service Users/ Stakeholders; Wider Community
Marriage and civil partnership details:	As above - we do not have this info.
Protected characteristics: Pregnancy and Maternity	Service Users / Stakeholders; Wider Community
Pregnancy and maternity details:	As above - we do not have this info.
Protected characteristics: Race	Service Users / Stakeholders; Wider Community
Race details:	<p>Balsall Heath is a culturally diverse area of Birmingham, with a majority Muslim population.</p> <p>In Sparkbrook and Balsall Heath East - the ethnicity breakdown (in 2011 Census) was as follows:</p> <ul style="list-style-type: none"> <li>66.7% Asian</li> <li>12.1% White</li> <li>9.2% Black</li> <li>8.8% Other</li> <li>3.4% Mixed</li> </ul> <p>In Balsall Heath West Ward, the ethnicity breakdown (as in 2011 Census) was:</p> <ul style="list-style-type: none"> <li>43.2% Asian</li> <li>21.2% White</li> <li>15.2% Other</li> <li>15.1% Black</li> <li>5.3% Mixed</li> </ul>

BCC's role in the CGR and NC Consultative Ballot processes was to remain neutral - but to provide clear, accessible, accurate information about the CGR and proposed Neighbourhood Council so that all residents were able to be informed about what was being proposed and could make their decision about whether they wanted a NC in Balsall Heath, or not.

It was also BCC's role to encourage residents who were eligible to vote to use their vote and have their say. This included: Governance contracting with CES / Civica Election Services to conduct the postal ballot and re-ballot; clarifying the postal consultative ballot process and how a decision would be made by BCC; providing clear info to accompany the postal ballot forms sent to each eligible voter by CES / Civica Election Services; ensuring that all BCC Communication and information (hard copies of info leaflets and posters, pull up banners, online - BCC website info - overview and detailed info including FAQs, social media posts. email replies to queries, phone replies to phone queries were fully accessible for the Balsall Heath residents who were eligible to vote in the consultative ballots).

Before developing the Comms materials for the CGR in 2022, we met with reps of the Equalities Team to seek their guidance about appropriate comms and potential translations of all our planned written comms materials into the relevant community languages for Balsall Heath NC area. The Equalities Team advised us that we did not need to translate our materials into the relevant community languages as they have found that this does not actually ensure the communications materials are inclusive and accessible - as many of those who speak other



languages in Balsall Heath, and similar areas, cannot actually read in those languages. They advised us to focus on providing clear plain language engaging and accessible information in English - and that those who did not read English would usually be able to ask someone who did to read it to them.

We worked closely with BCC Comms and Marketing to develop engaging clear information and comms materials for the CGR and the NC Consultative ballots. This included links to the BCC website section for more detailed info. They produced a QR code for us which we used on every piece of BCC printed comms materials - enabling people to use their camera on a smart phone to click on the QR code and be taken straight to the relevant section on the BCC website. This was important as it can be hard to find information on the BCC website even if you know what you are looking for. We ensured we regularly updated the BCC website with all relevant information, and that more detailed info and all relevant reports were available on our BCC website for those who wanted more detailed info.

In addition to the BCC website info, we included an NDSU phone number and email address which anyone could contact if they had a specific query or wanted to discuss any points in more detail. All emails and phone queries were individually responded to by NDSU. It was actually through emails received through the NDSU email and phone number, as well as queries from the BH Steering Group, that enabled us to alert Governance that a whole area of Balsall Heath proposed NC area had not received their postal ballot papers. Governance explored this with CES and a major CES error was identified and remedied as a result. The postal ballot window was extended to take account

of this delay in ballot papers being received and the impact of the postal strike in returning ballot papers.

BCC NDSU sent a letter / email and the BCC info leaflet and FAQs out to local community groups and stakeholders across BH, including via the BH Steering Group and the Ward Contact lists via the BCC Governance Managers. BCC NDSU staff also attended relevant Ward meetings online and in person to update re the CGR and proposed NC, encourage people to find out more and use their vote, and answer any queries.

Having this range of methods to contact BCC and find out more information seems to have worked well and been well received by residents. Printed materials were: A5 four-sided information leaflet; A4 and A3 posters, pull up banners - all left a key locations around Balsall Heath with leaflets also being sent with the ballot paper to every eligible voter, as well as posted through doors in BH. Bus Stop ads were also used in the initial consultative ballot. Social media posts developed by NDSU with the BCC Media Team were also used before and throughout the CGR and each consultative ballot reminding eligible residents to 'Have their Say and Use Your Vote Post your Vote!', the voting deadline, and to post their votes in good time. BCC also took part in BBC Midlands Today feature on Balsall Heath NC (initial ballot) and supported BH Steering Group to arrange this coverage.

In addition to BCC's own communication and information, BCC funded the Balsall Heath Steering Group who were proposing the NC for

Balsall Heath through two grants of £5,000 each from the Localisation Grant held by NDSU. The aim of this Grant is to enable local communities to actively explore the Localism options outlined in BCC's 2019 White Paper - Working Together in Birmingham's Neighbourhoods.

£5,000 was paid at the start of the campaign and awareness raising period for the first consultative ballot and again for the re-ballot. BCC NDSU agreed with the BH Steering Group what they would use the funding for as it had to meet the aim of raising awareness amongst the local community affected by a possible NC re what a NC was, why they were proposing it and enabling the Steering Group to promote it locally and encourage people to use their vote and have their say.

BH Steering Group used the Grants to:

- develop a website with clear info about them and why they were proposing a NC and how to contact them and find out more, plus links to BCC website
- develop a number of short films, targetted at different age groups, raising awareness re NC and why they are proposing it and wanted everyone to vote Yes
- employ a community outreach team to raise awareness accross the community of BH / proposed NC area
  - through doorknocking every household in the area, leafletting and disrtibuting posters and info, attendance at Mosques and other places of worship locally, attending local activities and groups to raise awareness, link with schools (inc sending BCC info leaflets out via the

schools in partnership with BCC), appearances on local media... The community engagement team were employed on a sessional basis via St Pauls CDT in Balsall Heath, and were all local BH residents - the majority of whom spoke the local community languages and so could also communicate with residents who did not speak or understand English.

BCC NDSU and Policy Executive worked closely with the BH Steering Group since they proposed the NC, through the CGR and NC Consultative Ballots - to provide clarification and ensure a co-ordinated approach (although BCC remained 'neutral' re the possible NC throughout). This included attending all the BH Steering Group meetings to rep BCC and clarify any queries and enable the BH Steering Group to explore a NC for BH. We continue to work with and liaise with the BH Steering Group.

Protected characteristics: Religion or Beliefs

Service Users / Stakeholders; Wider Community

Religion or beliefs details:

Balsall Heath has a majority Muslim population. People of other faiths, and none, also live and / or worship there.

Protected characteristics: Sexual Orientation

Service Users / Stakeholders; Wider Community

Sexual orientation details:

We do not have this info for the area the proposed Balsall Heath NC would cover.

Socio-economic impacts

Balsall Heath is one of the most socio-economically disadvantaged areas of Birmingham and the UK.

The 2011 Census showed that both Balsall Heath West and Sparkbrook & Balsall Heath East Wards were in the top 10% most deprived areas of Birmingham and England.

Both Wards are in the top 10% most deprived Wards in Birmingham and England re Income Deprivation affecting Children, and also Income Deprivation affecting Older People - aged 60 years and above. (2019 Indices of Multiple Deprivation).

As a result, the cost of living crisis is impacting Balsall Heath residents particularly hard. The proposed NC could have charged a Precept - which most Balsall Heath residents would not have to pay as they are not paying Council Tax due to being on such low incomes. The proposers of a NC for Balsall Heath may suggest that a NC would provide additional support re socio-economic issues for the community and residents. Those who do not support a NC may suggest that a Precept charge on those who do have to pay a NC Precept (if a NC was formed) would be unaffordable and a negative impact of a NC.

Additional socio-economic impacts to be considered by BCC as part of it's NC Policy review include: the significant variations in the level of potential NC income that can be raised by a Precept. If a household income is so low that they do not pay Council Tax, they will not have to pay a NC Precept. This means that, in areas such as Balsall Heath - where the majority of people do not pay full Council Tax, the amount a NC can raise from a Precept will be relatively very low - compared to a more affluent area of the City where the majority of residents pay Council Tax and so would be required to pay a NC Precept too. This is a key equalities impact that has been highlighted by the Balsall Heath NC exploration and which BCC need to consider.

Please indicate any actions arising from completing this screening exercise.

Please indicate whether a full impact assessment is recommended

What data has been collected to facilitate the assessment of this policy/proposal?	<p>Community Governance Review (CGR) consultation data / feedback.</p> <p>Results of two (independently run) postal consultative ballots of eligible voters in Balsall Heath re the proposed NC.</p>
Consultation analysis	<p>The majority of those who responded to the CGR consultation were in favour of further exploring the idea of a NC for Balsall Heath and going to a consultative ballot to help establish local opinion re this proposal. The CGR was targetted at Balsall Heath residents, organisations and workers in the proposed NC area, but others living/working outside of the proposed NC area, with an interest in the area, could also comment.</p> <p>The initial consultative (postal) ballot was held in autumn 22 by Civica Election Services on behalf of BCC. All those living in the proposed NC area who were over 18 years of age and eligible to vote, were sent a postal ballot form and supporting information so they could make their decision and have their say.</p> <p>The consultative ballot result was discussed by BCC Cabinet and, as the 25% eligible voter turnout threshold required by BCC's NC Policy had not been reached (by a small margin and the vast majority of those who voted had voted 'yes' - in support of a proposed NC), it was decided by Cabinet that a consultative re-ballot should be held, and further engagement undertaken, to seek to achieve a 25% or higher voter turnout and establish voters opinion a second time.</p> <p>The re-ballot has been held (5th June - 3rd July 23) and a similar level of turnout was achieved - again not reaching the required 25% voter turnout. Again, a high majority of</p>

those who voted in the re-ballot voted 'yes' - in support of the proposed NC.

Following discussion with the Leader, Officers have compiled a Report to Cabinet re the Re-ballot result and proposed next steps. It is recommended that:

\* a NC is not established in Balsall Heath as the required voter turnout level was not achieved - so the result is not valid (as set out in the BCC Policy re NC)

\* a Review is held into BCC's approach to NC (reporting in early 2024), this would include a review of the level of the voter threshold turnout required by BCC.

We also suggest that a full EIA should be undertaken as part of this review re BCC's approach to NCs - to ensure all stages and aspects of this process are fully inclusive and make recommendations if / where they should be improved.

Adverse impact on any people with protected characteristics.

This should be considered again as part of the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024.

Could the policy/proposal be modified to reduce or eliminate any adverse impact? This should be considered in the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024. We suggest the following are aspects of the NC approach that should be reviewed and which could potentially be modified to maximise inclusion and reduce or eliminate adverse impact:

**Threshold Turnout** level as required by current BCC NC Policy - we suggest that the current required level of turnout is too high, and is a significant barrier to any area of Birmingham wishing to explore a NC and to having a consultative ballot

turnout which will be regarded by BCC as valid.

**BCC to re-consider alternative methods of voting in NC**

**Consultative Ballots** to maximise engagement and turnout - online voting and ballot boxes / stations in the local area so eligible residents can vote in person. These additional voting options were requested by NDSU and Policy Exec, as well as by the proposer - Balsall Heath Steering Group, but not approved by BCC. We believe that both alternative approaches, used alongside the postal vote option, would have led to a much higher voter turnout in Balsall Heath - and in other areas exploring a NC in the future.

It has also been suggested that requiring a consultative ballot at all, as part of BCC's Neighbourhood Council process, should also be re-considered as part of this Review. Not having a consultative ballot would, of course, raise other issues about how all residents are enabled to have their say in key issues that affect them and their areas. All this would need to be looked at in detail as part of the Policy Review.

How will the effect(s) of this policy/proposal on equality be monitored?

This should be considered in the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024. There needs to be ongoing effective monitoring and reviews of the effects of NC proposal and BCC's NC Policy in areas exploring NCs, which have a CGR and Consultative Ballots and do / do not then move to become a NC.

What data is required in the future?


This should be considered in the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024.



Are there any adverse impacts on any particular group(s)	No
If yes, please explain your reasons for going ahead.	This should be considered in the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024. The report re Balsall Heath NC does not recommend that the Balsall Heath Neighbourhood Council goes ahead at this stage.
Initial equality impact assessment of your proposal	This should be considered in the BCC review of Neighbourhood Council policy - which is recommended to Cabinet and would report early in 2024.
	The current BCC policy for NCs was followed in each stage of the CGR and Consultative Ballot/s for Balsall Heath. There may be some changes that could be recommended to improve levels of inclusiveness in this process at each stage and the Review will consider this and make recommendations re that.
Consulted People or Groups	
Informed People or Groups	
Summary and evidence of findings from your EIA	CGR result and next steps report to Cabinet 2022  Cabinet Report re Balsall Heath NC and Next Steps - Oct 23
QUALITY CONTROL SECTION	
Submit to the Quality Control Officer for reviewing?	No
Quality Control Officer comments	A Comprehensive Initial Screening done
Decision by Quality Control Officer	Proceed for final approval
Submit draft to Accountable Officer?	Yes
Decision by Accountable Officer	Approve
Date approved / rejected by the Accountable Officer	06/09/2023
Reasons for approval or rejection	No negative impacts identified and a recommendation to review policy may be beneficial
Please print and save a PDF copy for your records	Yes

Content Type: Item

Version: 51.0

Created at 25/08/2023 04:22 PM by  Claire S Hardwick

Last modified at 08/09/2023 12:25 PM by Workflow on behalf of  Rachael Rose

Close

# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **BEAS Energy Efficient Grant Full Business Case**

### **Commissioner Review**

The Recommendations are supported by Commissioners. Given the Council's financial position officers are required to monitor and manage their activity to ensure the cash limit fee is not exceeded.

### **Officers to consider:**

Does the title have to include "winning"? Seems misleading



# Birmingham City Council

## Report to Cabinet

17<sup>th</sup> October 2023



**Subject:** Resources for Birmingham City Council Priorities - BEAS Energy Efficient Grant (Department of Energy Security and Net Zero) Full Business Case

**Report of:** Strategic Director Place, Prosperity & Sustainability

**Relevant Cabinet Member:** Councillor John Cotton, Leader

**Relevant O & S Chair(s):** Councillor Jack Deakin, Finance and Resources  
Councillor Akhlaq Ahmed, Economy and Skills

**Report Author:** Mohammed Zahir, Head of Business and Innovation  
Telephone No: 07766922585  
Email Address: mohammed.zahir@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011825/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

- 1.1 The Department of Energy Security and Net Zero (DESNZ) and Department for Levelling Up (DLUHC) have informed the West Midlands Combined Authority (WMCA) that funding is available for an energy efficiency programme within the West Midlands. This is national funding for pilot activity in the West Midlands with a view to expanding the programme nationally if it is successful. The objectives of the programme are to support WMCA and regional efforts to overcome market failures inhibiting energy-exposed West

Midlands manufacturers and commercial businesses from mitigating the impacts of energy cost rises and the transition to net zero. WMCA is seeking a Primary Delivery Partner out of the seven Local Authorities in the WMCA area to administer the grant delivery of the £10.5m Energy Efficiency Grants funded by DLUHC.

- 1.2 Birmingham City Councils Business Development and Innovation has been invited by WMCA to be the lead delivery partner. The team has extensive experience of managing and delivering large scale business support programmes across Birmingham and the wider West Midlands region.
- 1.3 This report seeks approval of the Full Business Case for the implementation of a new 18-month BEAS Energy Efficiency Grant Programme funded by DESNZ and DLUHC.
- 1.4 BEAS Energy Efficiency Grant Programme has a total of value of £10,500,000 over 18-months (1<sup>st</sup> October 2023 and end 31<sup>st</sup> March 2025).
- 1.5 As lead delivery partner Birmingham City Council will receive a 15% (£1,350,000) management fee for the delivery of the programme across 6 Local Authorities across the WMCA. However, Coventry City Council have agreed to be a partner, but will deliver their grant allocation within their respective area for which they will receive a 15% management fee.

## **2 Recommendations**

- 2.1 Approves the Full Business Case (FBC) (attached at Appendix 1) for the BEAS Energy Efficiency Grant Programme, which will provide a package of energy efficiency grant to Small and Medium Enterprises (SMEs) to mitigate against the impact of high energy cost and the transition to net zero.
- 2.2 Approves the City Council acting as the lead delivery partner for the BEAS Energy Efficiency Grant Programme and accepts the offer of BEAS Energy Efficiency Grant of £10,500,000 over 18-months, which is being matched against an equivalent amount of private sector expenditure.
- 2.3 Delegates the award of specific financial assistance grants between £1,000 to £100,000 to SME up to the total of £10,500,000 over 18- months to the Strategic Director of Place, Prosperity and Sustainability.
- 2.4 Authorises the City Solicitor (or their delegate) to negotiate, execute, and complete all necessary documentation to give effect to the above recommendations.

## **3 Background**

- 3.1 Birmingham City Council is currently managing and delivering West Midland SME Grant and Net Zero Grant Programmes across Birmingham, Solihull, Cannock Chase and Shropshire local authority areas funded by UK Share Prosperity Fund (UKSPF).
- 3.2 In recognition of the expertise and extensive experience of managing and delivery of large-scale programmes across the West Midlands, the City Council has been invited by the WMCA to be the lead delivery partner for the new BEAS Energy Efficiency Grant Programme.

## **4 Options considered and Recommended Proposal**

- 4.1 Do not accept the Grant. This is a key funding allocation for assisting the city and region to support SMEs to mitigate against rising energy costs and transition towards net zero.. The opportunity to use the funds and make its delivery focused and effective should not be missed. This option is not recommended.
- 4.2 Leave the implementation to WMCA. WMCA does not have the expertise, experience or capacity to deliver a programme of this nature across 7 local authority areas. It is recognised that Birmingham City Council is the only local authority across the WMCA with the experience and capacity to be the lead delivery partner.
- 4.3 Accept the grant utilising the Council's knowledge, existing infrastructure where relevant and local partnerships which have been established and built over many years of delivering EU funds to shape and deliver local provision. This option is recommended.

## **5 Consultation**

- 5.1 We have consulted with the WMCA and the other 7 West Midlands Metropolitan Authorities, who have all agreed for Birmingham City to be the lead delivery partner.
- 5.2 BEAS Energy Efficiency Grant Programme has been agreed by WMCA and LA partners as part of a consistent offer across the region.

## **6 Risk Management**

- 6.1 Risk register is detailed at Appendix 2.

## **7 Compliance Issues:**

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?
- 7.1.2 The DESNZ and DLUHC funding is a significant opportunity to make an impact on the Council's priorities. The funding will contribute to the City's main Corporate Priorities. These are, A prosperous Birmingham (via economic growth, increased employment and attracting investment) and A Green Birmingham (contribution to the route to zero work).
- 7.1.3 The Council's Corporate Plan 2022 to 2026. The following are the main priorities and the DESNZ and DLUHC will contribute to all of them.
- A Prosperous Birmingham: through a focus on inclusive economic growth, tackling unemployment, attracting inward investment, and maximising the benefits of the Commonwealth Games.
  - encouraging physical activity and healthy living, supporting mental health, and improving outcomes for adults with disabilities and older people.
  - A Green Birmingham: through a focus on street cleanliness, improving air quality, continuing the route to net zero, and becoming a city of nature.

## 7.2 Financial Implications

- 7.2.1 The City Council will receive grant funding of £10,500,000 for the BEAS Energy Efficiency Grant Programme over 18-months. Funding agreement is subject to agreement from WMCA and is expected shortly. The funds will need to be administered in accordance with the DESNZ and DLUHC funding requirement and achievement of related outputs/outcomes.
- 7.2.2 A 15% management will be top sliced from the grant allocation as a contribution towards the salary costs of the delivery team.
- 7.2.3 Table below provides a breakdown of grant, private sector match and management fee. No BCC salary match is required.

<b>Programme</b>	<b>UKSPF Grant 2023/204 £000</b>	<b>UKSPF Grant 2024/2025 £000</b>	<b>Private Sector Contribution £000</b>	<b>Total Public and Private Sector Funding £000</b>
BEAS Energy Efficiency Grant Programme	500,000	10,000,000	10,500,000	21,000,000
Total Grants/Match Funding	500,000	10,000,000	10,500,000	21,000,000
Fees				
15% Management Fee for delivery across 6 LA's	64,286	1,285,714		1,350,000
Total Management Fee	64,286	1,285,714		1,350,000

- 7.2.4 The expenditure was approved at the Place, Prosperity and Sustainability Directorate Spend Control Forum on 18 September 2023. Approval from the S151 Spend Control Board was obtained on 27 September 2023.

## 7.3 Legal Implications

- 7.3.1 BEAS Energy Efficiency Grant Programme will be delivered under the Council's general power of competence under section 1 Localism Act 2011, to help businesses to mitigate against rising energy costs and transition to net zero. Grants of £1,000 to £100,000 will be provided in compliance with UK Subsidy Control Act 2022.



#### **7.4 Procurement Implications (if required)**

7.4.1 There are no procurement implications with the recommendations of this report.

#### **7.5 Human Resources Implications (if required)**

7.5.1 BEAS Energy Efficiency Programme will be delivered using existing resources from Place, Prosperity and Sustainability Directorate.

#### **7.6 Public Sector Equality Duty**

7.6.1 Initial Equality Analysis (EQUA1048) has been carried out in January 2023 (Attached appendix 3), which takes into account equality measures in the day-to-day activities in assisting companies. No equality issues have been identified in the dissemination of these business support programmes.

### **8 Appendices**

- Appendix 1 Full Business Case
- Appendix 2 Risk Register
- Appendix 3 Equality Assessment analysis
- Appendix 4 Stakeholder analysis
- Appendix 5 Environment and Sustainability Assessment

### **9 Background Documents**

9.1 None



## APPENDIX 1

## FULL BUSINESS CASE (FBC)

## A. GENERAL INFORMATION

## A1. General

<b>Project Title</b> (as per Voyager)	<b>BEAS ENERGY EFFICIENCY GRANT PROGRAMME</b>		
<b>Voyager code</b>	TBC		
<b>Portfolio /Committee</b>	The Leader	<b>Directorate</b>	Place, Prosperity, and Sustainability
<b>Approved by Project Sponsor</b>	Ian MacLeod	<b>Approved by Finance Business Partner</b>	Azhar Rafiq

## A2. Outline Business Case approval (Date and approving body)

## A3. Project Description

BEAS Energy Efficiency Grant Programme will provide assistance targeted at existing Small/Medium sized Enterprises (SMEs) to mitigate against rising energy costs and transition to net zero. It will offer assistance of £1,000-£100,000 towards:

- Lighting (LED, controls, sensors)
- Electric motors and drives
- Electrically driven pumps
- Fans
- Compressed air generators and their higher-level control
- Heat exchanger for waste heat utilization or heat recovery
- Thermal insulation/thermal insulation of industrial plants or parts of plants
- Submetering.

## A4. Scope

BEAS Energy Efficiency Grant Programme will operate across 7 LA areas within the WMCA area. BCC is the lead delivery partner for the £10.5m programme.

Marketing and promotion work is ongoing with actual delivery to start October 2023.

The participating local authority partners and GBSLEP Growth Hub will be help to raising awareness of the programme amongst local business communities, the marketing and promotion of this to suitable businesses in their locality.

Organisation Involvement - BCC will the lead organisation for this programme. It will also undertake the engagement with all participating 7 local authority partners and ensure they are provided with all the necessary information in order to recruit suitable businesses from their area. This will include the provision of appropriate marketing materials and activities.

Existing programme management team from the Business Development and Innovation (BDI) Team within Place, Prosperity and Sustainability will continue to operate established management and control procedures.

Marketing and Engagement - of businesses and referrals will continue to be carried out by BCC,

GBSLEP Growth Hub and participating 7 local authority partners drawing upon local knowledge and experience. BCC will oversee the development of the necessary marketing materials and literature to reflect the programme content and geographical coverage. GBSLEP Growth Hub and local authority partners will generate market awareness and promotion, handle enquiries, initial screening of business suitability and ensuring local businesses understand the projects criteria and application process in their respective areas. This is an SME based grant programme and excludes all other businesses, which fall outside this definition.

Grants between £1 000 and £100,000 will be awarded to support approximately 420 SME projects, over 18-months matched by private sector match.

The programme will seek to increase productivity by improving business confidence, stimulating business activity, attracting investment and safeguarding existing jobs within local communities. It offers grant funding of £1,000 to £100,000 (note: it would be expected that the average grant would be circa £20,000-£30,000).

The intervention rate will be up to 50% of the total grant.

Funding will be used for the energy efficient replacement/ upgrade to existing industrial processes or buildings (not re-location or new premises).

An established Investment Board/investment panel comprising of BCC project management team, local authority partners, private sector partners, supported by appropriate technical, financial (Corporate Finance) and legal advice, will to operate in accordance to UK Subsidy Control Regulations. The grants will be payable retrospectively on satisfactory completion of the project as set out in the funding agreement.

BCC will manage the BEAS Energy Efficiency Grant Programme and monitor outputs created as a result, to ensure businesses seek to implement recommendations of their energy audits. Assistance will only be provided to those that meet the programme criteria.

BCC will be the lead delivery partner accountable for the whole £10.5m allocation. Financial assistance paid to individual businesses will be in accordance with BCC's financial regulations, standing orders, DESNZ and DLUHC conditions and will be subject to Conditions of Grant Aid (COGA). The COGA will include BCC and DESNZ and DLUHC terms and conditions and the ability for BCC to recover funds in the event of a breach of these terms. In the event of a company going into bankruptcy, WMCA have confirmed in writing that this is part of the normal business cycle and BCC will not be subject to any liability for claw back.

The BEAS Energy Efficiency Grant Programme will be managed by the Business Development and Innovation team (BDI) within Place, Prosperity and Sustainability.

Established delivery structures, governance and financial management arrangements will continue to enable BEAS Energy Efficiency Grant Programme programmes to start in October 2023.

BEAS Energy Efficiency Grant Programme delivery will start 1st October 2023, with the award of investment grants continuing to be delegated to Director of Planning in accordance with the grant award criteria.

**A5. Scope exclusions**

The funds are limited to the BEAS Energy Efficiency Grant Programme and are not to replace other BCC spend. The funds are limited to the 7 LA's across WMCA areas.

**B. STRATEGIC CASE**

*This sets out the case for change and the project's fit to the Council Plan objectives*

**B1. Project objectives and outcomes**

*The case for change including the contribution to Council Plan objectives and outcomes*

BEAS Energy Efficiency Grant Programme will contribute to the City's main Corporate Priorities:

- A prosperous Birmingham (via economic growth, increased employment and attracting investment).
- A Green Birmingham (contribution to the route to zero work)

BEAS Energy Efficiency Grant Programme will help businesses to mitigate against rising energy costs and transition to net zero.

The programme will seek to introduce measures, which will improve energy and resource efficiency, reduce carbon emission and increase cost effectiveness.

**B2. Project Deliverables**

*These are the outputs from the project eg a new building with xm2 of internal space, xm of new road, etc*

BEAS Energy Efficiency Grant Programme will provide financial assistance to 420 SMEs and generate £10,500,000 of private sector investment over 18-months.

**B3. Project Benefits**

*These are the social benefits and outcomes from the project, eg additional school places or economic benefits.*

Measure	Impact
<i>List at least one measure associated with <b>each</b> of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (eg for economic and transportation benefits)</i>
To assist 420 businesses with financial assistance to mitigate against rising energy costs and transition to net zero across the 7 local authority areas within WMCA by March 2025.	Will lead to up to an estimated £10,500,000 of private sector investment to help improve business competitiveness.
Increase resource and energy efficiency	Greenhouse gas reductions (% decrease in Tonnes of Co2e)- TBC  Number of businesses adopting new to the firm technologies or processes- TBC

*For major projects and programmes over £20m:*

A detailed Benefits Register is attached at G5 below.

**B4. Benefits Realisation Plan**

*Set out here how you will ensure the planned benefits will be delivered*

The WMCA will set out in its agreement with BCC the activities and outcomes it expects for the

funds to be delegated. BCC has already set out its ambitions in its submitted outline implementation plan to WMCA, this includes the setting up of appropriate Governance structures, identifying the appropriate teams and resources and the timescale for the expenditure of the funds and achievement of outcomes.

## B5. Stakeholders

We have consulted with the WMCA and the other 7 West Midlands Metropolitan Authorities over the shape of the programme and details of which parts of the programme will be delegated to BCC to deliver.

BEAS Energy Efficiency Grant Programme has been agreed by WMCA and 7 LA partners as part of a consist offer across the region.

## C. ECONOMIC CASE AND OPTIONS APPRAISAL

*This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities*

### C1. Summary of options reviewed at Outline Business Case

*(including reasons for the preferred option which has been developed to FBC)*

*If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.*

#### Options reviewed:

- Do not accept the Grant. This is a key funding allocation for assisting the city and region to support SMEs to mitigate against rising energy costs and transition towards net zero.. The opportunity to use the funds and make its delivery focused and effective should not be missed. This option is not recommended.
- Leave the implementation to WMCA. WMCA does not have the expertise, experience or capacity to deliver a programme of this nature across 7 local authority areas. It is recognised that Birmingham City Council is the only local authority across the WMCA with the experience and capacity to be the lead delivery partner.
- Accept the grant utilising the Council's knowledge, existing infrastructure where relevant and local partnerships which have been established and built over many years of delivering EU funds to shape and deliver local provision. This option is recommended.

### C2. Evaluation of key risks and issues

*The full risks and issues register is included at the end of this FBC*

Risk register is attached in appendix 2.

### C3. Other impacts of the preferred option

*Describe other significant impacts, both positive and negative*

BCC staff will be required to administrate and implement the BEAS Energy Efficiency Grant Programme across 7 LA's across WMCA area. This will generate a 15% management fee to cover delivery costs.

## D. COMMERCIAL CASE

*This considers whether realistic and commercial arrangements for the project can be made*

### D1. Partnership, Joint venture and accountable body working

*Describe how the project will be controlled, managed and delivered if using these arrangements*

## APPENDIX 1

BCC will be the lead delivery partner and accountable for the full £10,500,000 funding for 7 LA's across WMCA.
<b>D2. Procurement implications and Contract Strategy:</b> <i>What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).</i>
There are no procurement implications.  BEAS Energy Efficiency Grant Programme will be delivered in house without the need to commission any activity.
<b>D3. Staffing and TUPE implications:</b>
BEAS Energy Efficiency Grant Programme will be delivered using existing Business Development and Innovation resources.  The programmes will generate a 15% management of £1,350,000 over 18-months.
<b>E. FINANCIAL CASE</b> <i>This sets out the cost and affordability of the project</i>
<b>E1. Financial implications and funding</b>
BEAS Energy Efficiency Grant Programme is an 18- month programme.  Funding agreement is subject to agreement from WMCA and is expected shortly.
<b>E2. Evaluation and comment on financial implications:</b>
BEAS Energy Efficiency Grant is subject to agreement from WMCA, which is expected shortly.
<b>E3. Approach to optimism bias and provision of contingency</b>
N/A
<b>E4. Taxation</b> <i>Describe any tax implications and how they will be managed, including VAT</i>
Not applicable as the funds are grant funding. Any expenditure requiring the use of VAT will be fully VAT recoverable.

<b>F. PROJECT MANAGEMENT CASE</b> <i>This considers how project delivery plans are robust and realistic</i>	
<b>F1. Key Project Milestones</b> <i>The summary Project Plan and milestones is attached at G1 below</i>	<b>Planned Delivery Dates</b>
<b>Year 2023/2024</b>	
WMCA Approval	September 2023
Cabinet Report	October 2023
Programme Documentation	September 2023
Staff / Business Advisor / Partner Induction	September 2023 – October 2023
Marketing of Programme	October 2023 onwards

## APPENDIX 1

Commence Project delivery	1st October 2023
Panel Meetings	October 2023- January 2024
Quarterly Steering group meetings	December 2023 onwards
Financial spend	November 2023 – March 2024
Outputs	November 2023- March 2024
Progress Report to CA	November 2023- March 2024
<b>Year 2 2024/2025</b>	
Ongoing Marketing of Programme	April 2024 onwards
Ongoing Project delivery	1st April 2024
Panel Meetings	April 2024- January 2025
Quarterly Steering group meetings	May 2024 onwards
Financial spend	April 2024- March 2025
Outputs	June 2024 – March 2025
Monthly progress reports to WMCA	April 2024- April 2025
Project completion	March 2025
<b>F3. Dependencies on other projects or activities</b>	
There are no dependencies on other projects.	
<b>F4. Officer support</b>	
<b>Project Manager: Mohammed Zahir</b>	
<b>Project Accountant: Rob Pace</b>	
<b>Project Sponsor: Paul Kitson</b>	
<b>F5. Project Management</b>	
<i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	
<p>BEAS Energy Efficiency Grant Programme will be managed by the BDI Team.</p> <p>It will use existing systems, processes and governance arrangements including partnership investment panels for decision on grant applications of up to £30,000 grant and private sector investment board for grant applications of over £30,000 to £100,000.</p>	



**G. SUPPORTING INFORMATION**

*(Please adapt or replace the formats as appropriate to the project)*

**G1. PROJECT PLAN**

*Detailed Project Plan supporting the key milestones in section F1 above*

Attached in appendix 4

**G2. SUMMARY OF RISKS AND ISSUES REGISTER**

*Risks should include Optimism Bias, and risks during the development to FBC*

*Grading of severity and likelihood: High – Significant – Medium – Low*

		Risk after mitigation:	
Risk or issue	Mitigation	Sever-ity	Like-lihood
Risk register is attached in appendix 2			

**G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS**

*Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)*

Table below provides of the programme budget:

<b>Programme</b>	<b>UKSPF Grant 2023/204 £000</b>	<b>UKSPF Grant 2024/2025 £000</b>	<b>Private Sector Contribution £000</b>	<b>Total Public and Private Sector Funding £000</b>
BEAS Energy Efficiency Grant Programme	500,000	10,000,000	10,500,000	21,000,000
Total Grants/Match Funding	500,000	10,000,000	10,500,000	21,000,000
Fees				
15% Management Fee for delivery across 6 LA's	64,286	1,285,714		1,350,000
Total Management Fee	64,286	1,285,714		1,350,000

G4. STAKEHOLDER ANALYSIS		
Stakeholder	Role and significance	how stakeholder relationships will be managed
Strategic Director Place, Prosperity, and Sustainability	Delegated authority for delivery of the Local Business Support Pillar	Attached at Appendix 4
City Solicitor		
Deputy Leader	Consultee for the above	
Cabinet Member Finance & Resources		
WMCA and LA partner	Development of programme	Regular task and finish group meetings

**G5. BENEFITS REGISTER**

*For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)*

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with each of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
<b>(a) Monetised benefits:</b>	£		N/A
To be identified/determined			
<b>(b) Other quantified benefits:</b>			
To be identified/determined			
<b>(c) Non-quantified benefits:</b>	n/a		
To be identified/determined			

<b>Other Attachments</b> <i>provide as appropriate</i>	
• Eg. Outcome of consultation	N/A
• Technical Feasibility Assessments	N/A
• Site plans and drawings	N/A
• Summary of Impact assessments	N/A
• External Funding and Partnership agreement implications	TBC
•	
•	
•	



## BEAS ENERGY EFFICIENCY GRANT PROGRAMME: Risk Register

No	Description	Likelihood	Impact	Grade	Action	Managed by:
1	Failure Growth Hubs, LEP Local Authority delivery partners partners to raise awareness of the programme in their area and to identify suitable businesses for WMGP and NZGP.	Medium	High	Material	Ensure comprehensive programme briefings to partners and adequate understanding before commencement. Put in place agreed detailed marketing arrangements, literature design and individual marketing strategies for each area together with good levels of support from City Council project team to implement local actions for awareness raising and programme promotion to suitable businesses.	Head of Business and Innovation and Project Lead.
2	Unwillingness of sufficient number of eligible businesses coming forward to the application process for BEAS Energy Efficiency grants support and able to meet scheme criteria including match funding.	Low	High	Material	WMGP and NZGP builds upon the successful delivery of existing programmes. WMCA and LA partners are supportive of both programmes as part of a consistent offer of support to SMEs across the region. The good induction of partners, strong programme marketing and targeting the right type of businesses, clear and straight forward application form and process for approval with good programme management and monitoring should attract sufficient businesses. Evidence of match funding will be required at the application stage.	Project Lead, Business Officers and local authority partners.
3	BEAS Energy Efficiency Grant Programme is too rigid and inflexible in meeting the needs of the businesses.	Low	Medium	Material	Monitoring and reviewing the programmes to ensure flexibility and responsiveness to the needs of need of businesses.	Head of Business and Innovation, project manager and Business Officers.
4	Poor quality of applications for support from businesses and or businesses failing to complete project expenditure in order to fully access assistance from the programme funds resulting in potential under spend.	Low	Medium	Material	Robust application procedure being established together with clear guidance and application process to assist businesses with the completion of applications that meet the standard required. With the correct development work and submission of sound applications the likely hood of none completion and under spend is less likely. Ability to award further assistance until the funding has been fully utilised over the life of the programme should ensure any under spend is kept to a minimum.	Head of Business and Innovation, project manager and Business Officers.
5	DESNZDESNZ and DLUHC regulations are not complied with leading to exclusion of eligible costs from claims.	Low	High	Material	The costs have been analysed and only eligible costs have been identified and included in the application. BEAS Energy Efficiency grants offer assistance to SMEs will include DESNZ and DLUHC terms to be passed on to SMEs (including a period of claw back), to help ensure understanding and compliance, and enable the City Council to recover funds in the event of a default against the terms or a claw back relating to a particular SME. Expenditure will only be paid in arrears on provision of evidence and when the works have been completed. Robust governance, operational management and programme delivery processes, systems and procedures will be embedded, implemented, monitored and evaluated. Any specific issues arising from compliance will be mitigated against checks and balances contained within the programme.	Head of Business and Innovation, project manager and Business Officers.
6	Compliance with DESNZ and DLUHC grant conditions so as to avoid clawback	Low	Medium	Material	Robust governance, operational management and programme delivery processes, systems and procedures will be embedded, implemented, monitored and evaluated. Any specific issues arising from compliance will be mitigated against checks and balances contained within the programme. The risk to the City Council is therefore minimised as it seeks recovery from businesses who default on grant conditions.	Head of Business and Innovation, Project Manager, LA partners

## BEAS ENERGY EFFICIENCY GRANT PROGRAMME: Risk Register

No	Description	Likelihood	Impact	Grade	Action	Managed by:
7	Operational management of Programmes difficulties such as delays in processing necessary documentation	Low	Medium	Material	Use Project Management Team to monitor, review and tackle any issues	Head of Business and Innovation, Project Manager and Business Officers
8	Delivery of costs so as to avoid overrun beyond March 2025	Low	Medium	Material	Budget targets are negotiated with WMCA and monitored on a regular basis to ensure no expenditure beyond March 2025. A regular pipeline of applications generating through marketing activities will ensure delivery remains on track	Head of Business and Innovation, Project Manager and Business Officers
9	Failure of businesses to complete investment plan and achieve outputs leading to a lack of drawdown of funding approved.	Medium	Low	Material	Maximum delivery period for project spend will be 4-6 months. Effective monitoring and client management to maximise spend to meet budgetary forecasts.	Head of Business and Innovation, Project Manager and Business Officers
10	Applicant in breach of terms and conditions of funding offer letter	Medium	Low	Material	BCC will review the breach of terms, conditions and suggest a course of action. If considered to be material breach, the funding offer will be withdrawn or seek claw back. Reallocate funding to other applicants.	Project Manager and Business Officers.
11	SME fraudulent activity throughout the application and claims process	Medium	Medium	Material	Develop robust intelligence and monitoring systems with support from Legal Services and Audit to eliminate potential fraudulent activity. If fraud is detected then engage City Council Legal Services and Birmingham Audit to investigate and if required issue legal proceedings.	Project Manager and Business Officers.
12	Attempted bribery of BCC officers for financial or non-financial gain	Low	High	Material	Awareness of BCC's bribery and corruption policy. Be vigilant against attempted bribery. Refer to senior management and seek advice from Legal Services and Audit.	Head of Business and Innovation, Project Manager and Business Officers
13	Lack of take up or lack of quality projects means contracted DESNZ and DLUHC outputs and spend targets are not being achieved leading to underperformance and potentially leading to clawback	Medium	High	Material	Contracted output and spend targets are annualised on a calendar year basis. The quarterly claim cycle includes output reporting which enables continual monitoring. As well as the project performance being overseen by the BDI Team, annual reviews will be set out to ensure that the project are on track and to review all projects progress. Should forecast progress against annualised spend or output targets be cause for concern (more than 10% variance forecast), actions will be set, and if needed, WMCA will be asked to reappraised the project based on the re-forecast measures, and a new agreement will be sought.	Project Manager, Business Officers, LA partners.
14	Delay in securing funding from DESNZ and DLUHC	High	High	Material	WMCA are confident of securing funding for the 18-month programme.	Head of Business and Innovation,





Title of proposed EIA	Acceptance and Implementation of UKSPF (UK Shared Prosperity Fund)
Reference No	EQUA1048
EA is in support of	Both Policy & Service Change
Review Frequency	Two Years
Date of first review	31/01/2025
Directorate	Inclusive Growth
Division	European and International Affairs
Service Area	European and International Affairs
Responsible Officer(s)	<input type="checkbox"/> Mark Reed
Quality Control Officer(s)	<input type="checkbox"/> Janet L Hinks
Accountable Officer(s)	<input type="checkbox"/> Lloyd Broad
Purpose of proposal	This project will introduce UK SPF to BCC as part of the Government's levelling up agenda. It will focus on project delivery under the community and place strand, business support strand and people and skills strand.
Data sources	relevant reports/strategies; relevant research
Please include any other sources of data	
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders; Employees; Wider Community
Age details:	The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.
Protected characteristic: Disability	Service Users / Stakeholders; Employees; Wider Community
Disability details:	The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.
Protected characteristic: Sex	Service Users / Stakeholders; Employees; Wider Community

Gender details:

The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.

Protected characteristics: Gender Reassignment

Service Users / Stakeholders;  
Employees; Wider Community

Gender reassignment details:

The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.

Protected characteristics: Marriage and Civil Partnership

Service Users/ Stakeholders;  
Employees; Wider Community

Marriage and civil partnership details:

The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.

Protected characteristics: Pregnancy and Maternity

Service Users / Stakeholders;  
Employees; Wider Community

Pregnancy and maternity details:

The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.

Protected characteristics: Race

Service Users / Stakeholders;  
Employees; Wider Community

Race details:

The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.

Protected characteristics: Religion or Beliefs

Service Users / Stakeholders;

Religion or beliefs details:	Employees; Wider Community  The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.
Protected characteristics: Sexual Orientation	Service Users / Stakeholders; Employees; Wider Community
Sexual orientation details:	The aims and objectives of UK SPF funding are compliant with all Public Sector equalities duty. This will be noted during recruitment of employees, existing employees and relevant stakeholders impacted by the delivery of the fund.
Socio-economic impacts	The UK SPF is part of the Government's levelling up agenda throughout the UK in order to invest in all parts of the UK with an aim of improve standards of living across the country and help every place reach it's productivity potential and addressing regional inequalities.
Please indicate any actions arising from completing this screening exercise.	Full assessment deemed not appropriate.
Please indicate whether a full impact assessment is recommended	NO
What data has been collected to facilitate the assessment of this policy/proposal?	Not applicable.
Consultation analysis	Not applicable.
Adverse impact on any people with protected characteristics.	Not applicable.
Could the policy/proposal be modified to reduce or eliminate any adverse impact?	Not applicable.
How will the effect(s) of this policy/proposal on equality be monitored?	We will use existing methods used previously during the delivery of ESIF funding to ensure equalities is measured effectively and all decisions take into account equalities.
What data is required in the future?	Not applicable.
Are there any adverse impacts on any particular group(s)	No



If yes, please explain your reasons for going ahead.

Not applicable.

Initial equality impact assessment of your proposal

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

Full assessment not deemed appropriate. The UK SPF will deliver according to the Government's levelling up agenda with a focus on delivering in a community and place strand, a business support strand and a people and skills strand. This project will have no direct impact on employment within the projects delivery team and we will ensure all strand leads within the City Council will take careful consideration of equalities in recruitment and project delivery.

#### QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

Yes

Quality Control Officer comments

Proceed to final approval 26.1.2023

Decision by Quality Control Officer

Proceed for final approval

Submit draft to Accountable Officer?

Yes

Decision by Accountable Officer

Approve

Date approved / rejected by the Accountable Officer

07/03/2023

Reasons for approval or rejection

Please print and save a PDF copy for your records

Yes

Content Type: Item

Version: 35.0

Created at 17/01/2023 11:03 AM by ☐ Sukhi Kaur

Last modified at 07/03/2023 04:34 PM by Workflow on behalf of ☐ Sukhi Kaur

Close



Stakeholder	Stakeholder's Interest	Influence Impact	What does the project board expect from the stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsible
Leader/Deputy Leader	Additional funding to help SMEs to mitigate high energy costs and transition to net zero	High	Political support	Supportive	Provide periodic progress reports during delivery	Head of Business Development and Innovation and Business Enterprise Manager
GBSLEP Growth Hub and Local Authority Partners	Provision of energy efficiency grant support across the 7 LA's across WMCA	High	LEP and LA partner endorsement of the Projects.	Supportive	Full consultation and partner engagement, regular progress updates, meetings and steering group	Head of Business Enterprise and Innovation and Business Enterprise Manager.
WMCA	Responsible for management, allocation and monitoring of UKSPF funding	High	Due Diligence, agreement of Offer letter and performance monitoring of project, payment of claims.	Supportive	Monthly claims, regular monitoring reports and contact as appropriate	Head of Business Enterprise and Innovation, Business Enterprise and Innovation Manager and Business officers
Local SME businesses across the WMCA area	Potential recipients of grant support.	Low	Applications for BEAS Energy Efficiency grants.	Supportive based on pipeline of enquiries, evidence of need and demand.	Project launch, development of an effective marketing strategy and materials to raise awareness and maximise take up of training support.	Project lead officers and LA partners.

**BEAS ENERGY EFFICIENCY GRANT PROGRAMME – STAKEHOLDER ANALYSIS****APPENDIX 4**

Agencies and businesses networks across WMCA area	Identification and referral source of suitable business applications	Low	Referrals of suitable businesses into the projects.	Supportive	Launch of programme and development of marketing strategy to ensure agencies and networks are engaged effectively in each LA area and fully understand project offer / opportunities. Follow-up workshops as necessary.	Project lead officers and LA partner authorities
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**Birmingham City Council  
Cabinet Committee**

**Date 17 October 2023**



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**Subject: Local Authority Housing Fund – Round 2**

**Commissioner Review**

**The recommendations are supported following confirmation from officers that the report has been updated to reflect comments received from the Commissioners.**



# Birmingham City Council

## Report to Cabinet

17<sup>th</sup> October 2023



**Subject:** **DLUHC Funding - Local Authority Housing Fund Round 2 (LAHF R2)**

**Report of:** Paul Langford, Strategic Director, City Housing

**Relevant Cabinet Member:** Councillor Jayne Francis, Cabinet Member for Housing & Homelessness  
Councillor Nicky Brennan, Cabinet Member for Social Justice, Community Safety & Equalities  
Councillor Brigid Jones, Cabinet Member Finance and Resources

**Relevant O&S Chair(s):** Councillor Mohammed Idrees, Homes  
Councillor Sir Albert Bore, Co-ordinating  
Councillor Jack Deakin, Finance & Resources

**Report author:** Lewis Rees, Programme Manager  
Email: Lewis.Rees@birmingham.gov.uk

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011746/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 This is a retrospective report due to the timing constraints related to this Department of Levelling Up, Housing and Communities (DLUHC) funding round, seeking

Cabinet approval ahead of bidding would have resulted in this grant opportunity being lost. The Council was approached by (DLUHC) on 7th June 2023 with an invitation to bid for Local Authority Housing Fund (LAHF) capital grant, by 5th July 2023, to support the acquisition of properties for Afghan refugees and for households in need of temporary accommodation (TA), according to a predetermined funding allocation.

- 1.2 The timing and timescales meant that approval to bid was sought and provided, on 3<sup>rd</sup> July by Councillor Francis at Cabinet Member Briefing, and on 4<sup>th</sup> July at individual briefings for Councillors Brennan and Jones, in advance of submitting a supporting Cabinet report. This report to Cabinet is therefore seeking retrospective approval.
- 1.3 As it was possible for the Council to bid for a greater number of properties than the indicative allocation, with the additional properties being available for households in need of TA, it is recommended that the Council commits to purchase the higher number of properties.
- 1.4 On the 8<sup>th</sup> August 2023, DLUHC confirmed that our application for second round of the Local Authority Housing Fund (LAHF R2) was approved in full, and the Council has been awarded £6.996m.
- 1.5 The ability to apply grants to the existing homelessness property acquisition scheme will support extending the number of properties purchased whilst also providing additional good quality accommodation for families from Afghanistan<sup>1</sup>.
- 1.6 On the 14<sup>th</sup> September 2023, in line with the obligations set out under the S.114 statutory notice, the S.151 Officer, in order to meet the Council's statutory responsibilities to house homeless families, approved the funding of "Temporary Accommodation Street Purchase" and continuation of the property acquisition programme to 2028. The Council is therefore able to meet the DLUHC LAHF R2 MoU terms in full and deliver on its commitment to acquire 6 properties designated for Afghan households and 60 for other households needing TA.
- 1.7 As stipulated by the DLUHC, this will require an increase in resettlement pledges by Birmingham City Council to include those accommodated by properties acquired through the "bridging element" of this funding. This may be in the region of 30-50 people in total over 2023/24 and 2024/25.
- 1.8 Participation in this programme will have a number of benefits for Birmingham. It will provide additional capital funding to support the purchase of good quality accommodation which will help meet housing need for the citizens of Birmingham over the next 50 years or more.
- 1.9 Accommodation will be provided as TA for homelessness households, with no additional priority for access to settled accommodation for the families accommodated through this programme compared to other families experiencing homelessness.

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<sup>1</sup> Appendix 1. Birmingham LAHF and Afghan refugees

## 2 Recommendations

That Cabinet:

- 2.1 Agrees to submit a bid to DLUHC **LAHF R2** and accept capital grant funding of up to £6.996m if approved, to support the acquisition of 66 family sized properties, of which 6 are to be allocated to Afghan households currently in Bridging Accommodation and 60 to households in need of TA in Birmingham.
- 2.2 Authorises the Strategic Director for City Housing to enter into a Memorandum of Understanding with DLUHC setting out DLUHC's commitments and the Council's commitments to deliver the LAHF programme, alongside the associated monitoring arrangements.
- 2.3 Agrees to extend Birmingham City Council's pledge towards Government refugee resettlement schemes (namely, the Afghan Citizens Resettlement Scheme) to include any individuals accommodated by properties acquired through this funding. This cannot be specified at this stage but could be in the region of 30-50 additional individuals.
- 2.4 Accepts the integration funding associated with refugee resettlement at a per capita rate of £20,520 per individual minimum. The total value will depend on the number of bed spaces procured by the Bridging element of the Housing Fund but based on 30-50 individuals this would be £615,600 to £1,026,000.
- 2.5 Authorises the City Solicitor (or their delegate) to negotiate, agree and complete all legal documents necessary to give effect to the above recommendations.

## 3 Background

- 3.1 DLUHC wrote to the Chief Executive of Birmingham City Council (BCC) on 6th January 2023 inviting the Council to participate in the £500m LAHF capital grant programme to support the acquisition of properties to accommodate guests from Ukraine and Afghan refugees.
- 3.2 The LAHF programme is based on participating councils acquiring or developing properties by the end of 2023/24 to accommodate refugee families and/or guests from Afghanistan and Ukraine.
- 3.3 The programme is split into a 'Main Programme' to accommodate families who would otherwise be homeless and eligible for assistance from the Council, and a 'Bridging Programme', to accommodate families currently in Home Office Bridging accommodation. The Bridging Programme requires an increase in the council's existing commitment to accommodate such families equal to the number of properties acquired.
- 3.4 In February 2023 Cabinet agreed and the Council was successful in bidding for DLUHC **LAHF R1** capital funding. Through the original bid and subsequent bid for available additional funding the council secured a total of £5.34m LAHF capital funding to support the acquisition of 40 family sized properties for the LAHF Main

Programme for Ukrainian families and 10 large family sized properties from the LAHF Bridging Programme for Afghan families.

- 3.5 The Council's existing £60 million Property Acquisitions Programme agreed by Cabinet in February 2022 is being used as the mechanism to acquire properties. LAHF only covers a proportion of the acquisition costs for the LAHF scheme, the remaining costs are to be met from the £60m Property Acquisitions Programme budget.
- 3.6 On 7th June 2023 DLUHC wrote to the Chief Executive announcing **LAHF R2** and provisionally identifying Birmingham City Council as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an indicative allocation of £1.06 million. This is to contribute to the purchase of 10 properties:
- 3.6.1 6 to be allocated to Afghan households currently in Bridging Accommodation  
(Note: the 6 properties designated for Afghan households, must initially be used to accommodate this client groups but can be used subsequently (after an unspecified period) to meet wider housing need.)
- 3.6.2 4 to be allocated to households in need of temporary accommodation (TA) in Birmingham (there is no stipulation as to their background).
- 3.7 DLUHC's expectation is that the vast majority of properties acquired will be family sized homes (2 to 4+ bedrooms), particularly given the average family size of those on the Afghan resettlement schemes.
- 3.8 DLUHC's expectation is that accommodation for Afghan households would primarily be settled accommodation but have informed the Council that purchasing properties to use as TA for this cohort for an indefinite period may meet the programme aims. This is the approach the Council has taken with **LAHF R1**.
- 3.9 The Council already welcomes refugees via the Afghan resettlement schemes Afghan Assistance & Relocation Policy – ARAP and the Afghan Citizens Resettlement Scheme – ACRS.
- 3.10 The Council's existing commitment to Afghan resettlement, made by Cabinet in July and December 2021, is to welcome a total of 300 individuals across 2021/22, 2022/23 and 2023/24. Around 150 people have already arrived or are imminently arriving in Birmingham. These individuals attract a minimum local authority per capita tariff of £20,520 to support their resettlement and integration. All new arrivals are accommodated in the Private Rented Sector and are assisted by BCC commissioned providers.
- 3.11 As with **LAHF R1**, it was possible to bid to acquire a greater number of properties than the indicative allocation, targeting a greater allocation of available unallocated funds - noting that additional properties can be for households in need of TA (i.e. non-Afghan households) without a requirement to increase the number of Afghan households.

- 3.12 As with **LAHF R1**, the invitation to bid references the calculation in relation to capital, stating “As with other affordable housing provision, we expect you to part fund or finance some of the required capital. Government funding equates to 40% of total capital costs plus £20,000 per property to account for other costs including refurbishment. The grant rate per property for your local authority is £86,000 (based on median property prices in your area) plus £20,000 per property. However, this calculation is based on DLUHC assumptions about the price of properties. These may not reflect the actual price of properties purchased and so the DLUHC funding may in practice be less than 40% of the cost plus £20,000 per property”.
- 3.13 It was therefore proposed that Birmingham City Council bid for an additional £5.936m grant funding to purchase an additional 56 properties (in addition to the indicative allocation S3.6) to be allocated to households in need of temporary accommodation in Birmingham (there is no stipulation as to their background).
- 3.14 The Council has submitted in total a bid to DLUHC **LAHF R2** for capital funding of up to £6.996m to support the acquisition of up to 66 family sized properties, 6 for Afghan households and 60 for other households needing TA.
- 3.15 It is not clear how many (if any) additional properties are likely to be funded, as the funding for the TA element of the programme is constrained, and the funding available depends on the level of bids from all local authorities eligible for the programme. The Council has been informed by DLUHC that there is no detriment in applying for an ambitious number of properties.
- 3.16 In order to participate in the programme, the Council was required to agree to the terms of the Memorandum of Understanding (MoU), no later than 14<sup>th</sup> August 2023, which sets out the Council’s commitment to deliver an agreed number of properties in return for the DLUHC grant funding, and the monitoring arrangements involved. The MoU template is shown at Appendix 2.
- 3.17 The terms of the MoU are non-negotiable, but it is for the Council to determine how many properties it will commit to acquire.
- 3.18 Funding will be paid in two tranches representing 30% and 70% of the allocation agreed in the MoU. The initial 30% of the allocation will be made, following agreement of the MoU by end July if MoU signed by 14<sup>th</sup> July 2023 or end of August 2023 if MoU signed by 14<sup>th</sup> August 2023. 70% of the agreed funding is to be paid by end October 2023 or by mid-December 2023 once the Council has demonstrated they have committed 60% of the first payment.
- 3.19 Councils are required to commit to acquire the agreed number of **LAHF R2** properties by 29<sup>th</sup> March 2024.
- 3.20 As with **LAHF R1**, it is intended to use the existing £60 million Property Acquisitions Programme capital approvals to provide the capital element. There is no additional capital requirement from Birmingham City Council.
- 3.21 The current Property Acquisitions Programme has sufficient pipeline to meet the **LAHF R2** requirement.

## 4 Options considered and Recommended Proposal

- 4.1 The LAHF programme is intended to deliver accommodation which will be available to the Council in the long term and can be used to meet housing need beyond the initial period where they are required to accommodate Afghan households.
- 4.2 In the initial period, the 6 units of accommodation will be used to provide accommodation for Afghan households exiting the Bridging Programme who the Council would not otherwise have been required to accommodate, but in the longer term the accommodation would be available to meet the needs of a wider range of families.
- 4.3 The 60 units of accommodation purchased will be used to meet the needs of homeless families in need of TA. With over 500 homeless families with dependents currently in Bed & Breakfast (B&B) for more than 6 weeks there is a pressing need to secure and increase suitable TA.
- 4.4 The LAHF does not stipulate if accommodation is to be held in the Council's general fund, the housing revenue account, owned by a housing association or owned by a local authority housing company.
- 4.5 It would be possible to deliver through any of these routes, but the simplest and most straightforward way to proceed would be to add these properties to those acquired through the £60m property acquisition programme already operating in the general fund, which is currently purchasing good quality properties to accommodate homeless families and is set to deliver significant savings to the council through reduced use of B&B accommodation.
- 4.6 These properties are currently let as TA, but there is an option in the future to bring them within the HRA if the Council wished to do so.
- 4.7 By 10th July 2023, the property acquisition programme had purchased 107 properties at a cost of £26.9m with a further 96 properties with offers accepted and going through the purchase process making 203 in total at a projected total cost of £49.1m if they all complete.
- 4.8 It is proposed that the LAHF properties would be purchased through the same mechanism and within the agreed £60m funding envelope for council spend. The DLUHC grant will support the purchase of good quality accommodation which will help meet housing need for the citizens of Birmingham, whilst ensuring that Afghan refugees are accommodated in the numbers required to meet the Council's agreed LAHF quota.
- 4.9 The DLUHC **LAHF R2** grant represents value for money. It supports increasing the reach of the current allocated funds to provide additional, good quality, temporary accommodation for homeless families and refugees from Afghanistan and others in housing need.
- 4.10 Properties would be let as TA in the same way as for the existing programme. Families accommodated through the Main Programme would be owed a



homelessness duty and would have the priority in the Council's allocations scheme which is available to households in TA who are owed a homelessness duty.

4.11 This would mean that guests and refugees accommodated through LAHF would not be jumping the queue for long term social housing compared to families who become homeless for other reasons.

4.12 As the grant is for more than £1m capital, Cabinet approval is required retrospectively.

## **5 Consultation**

5.1 No consultation has been carried out with members of the public or temporary accommodation residents in preparing this report.

Discussion has taken place between officers in Housing Solutions and officers in Adult Social Care responsible for working with refugees and asylum seekers to establish the best way forward. Funding is available from existing DLUHC programmes to provide support for the families accommodated through the LAHF programme.

## 6 Risk Management

6.1 Key risks and mitigations are set out in the table below:

<b>Key Risk</b>	<b>Impact</b> (low/medium/high)	<b>Likelihood</b> (low/medium/high)	<b>Mitigation</b>
The Council is not able to purchase the required number of properties in the time available	High	Low	The existing property acquisition scheme is established an already buying properties in greater numbers than required to meet the need of the LAHF programme.
The Council makes a financial loss compared to business as usual	Medium	Low	The funding would support the existing property acquisition programme, by providing additional grant. There would be a short-term loss on the Bridging Programme, based on the premise that this is accommodating families the Council would not otherwise have helped, but this is more than offset by the gains from additional TA. In the longer term this will generate significant savings compared to buying properties without grant.
DLUHC does not agree to the funding requested	Medium	Low	If not fully funded, the Council would purchase fewer properties for the programme. Because the existing acquisitions scheme is being utilised, there are no set up costs.
DLUHC attempts to insist on the properties being used for guests and/or refugees in the long term	Medium	Medium	There will always be a need to accommodate refugees and guests, but beyond the initial requirements of an increased Bridging Programme quota, there should be no obligation to accommodate anyone the council would not otherwise have owed a homelessness duty to.

## 7 Compliance Issues:

**How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1 The proposal is in compliance with the priorities in the Corporate Plan 2022/26, notably the priorities to tackle poverty and inequality, to support and enable all children and young people to thrive, and to tackle homelessness.

7.2 The proposal is in compliance with the Council's City of Sanctuary policies and strategy documents as well as its recent Local Authority of Sanctuary award.

### **7.3 Legal Implications**

7.3.1 Section 1 of the Localism Act 2011 confers a general power of competence on the Council that permits the Council to enter into the funding arrangements set out in this report.

7.3.2 Sections 120 - 123 of the Local Government Act 1972 authorise the City Council to acquire, appropriate and dispose of land for the purpose of any of their functions. Section 111 of the Local Government Act 1972 contains the Council's subsidiary powers to do anything, including acquiring and disposing of land and incurring expenditure, which is calculated to facilitate, or is conducive or incidental to, the discharge of any of the Council's functions.

7.3.3 Under Section 9 of the Housing Act 1985 the Council may provide housing accommodation by acquiring houses and Under Section 17 of that Act the Council may acquire houses, or buildings which may be made suitable as houses, for the purposes of providing housing accommodation. For these purposes "houses" include flats.

7.3.4 Under Section 206 of the Housing Act 1996 the Council may discharge their functions under part VII of that Act by securing that suitable accommodation provided by them is available.

### **7.4 Financial Implications**

7.4.1 The report seeks retrospective approval for a DLUHC LAHF R2 capital grant to support the acquisition of properties for Afghan refugees and general temporary accommodation. As with the DLUHC LAHF R1 capital grant, properties will be provided through the existing temporary accommodation Property Acquisition Programme in the general fund which was approved by Cabinet on 8th February 2022.

7.4.2 On the 14<sup>th</sup> September 2023 the S.151 Officer approved the funding of the "Temporary Accommodation Street Purchase" and continuation of the property acquisition programme to 2028.

7.4.3 The LAHF R2 grant funding submission is for capital funding of up to £6.996m to support the acquisition of up to 66 family sized properties, 6 for Afghan households and 60 for other households needing TA. The capital grant is 40% of capital costs plus £20,000 for additional costs such as refurbishment. The 40% capital grant element is currently capped at £86,000 per property so if the acquisition cost is £215,000 or more, the capital grant will represent less than 40%.

7.4.4 The Council contribution towards the acquisition costs will be met by borrowing as previously approved through the existing Property Acquisition Programme authorisation. Provision of this grant funding will therefore result in a lower cost of borrowing to the Council compared to funding 100% of the capital cost for these properties.

7.4.5 In addition, the report seeks approval to accept Government integration funding associated with refugee resettlement in respect of the individuals resettled into these properties. This is based on £20,520 per capita with the total value depending on the number of bed spaces acquired and family compositions. Based on 30 to 50 bed spaces, this would be £615,600 to £1,026,000.

## **7.5 Procurement Implications (if required)**

7.5.1 For the provision of Year 1 Accommodation, Orientation & Support services, the total cost of procuring services for the additional refugees accommodated in properties acquired via the Housing Fund is not expected to exceed £362,551.50 – but this will depend on the final number of bedspaces acquired. Procurement of this service will be via the Refugee Integration & Support Services Flexible Contracting Agreement which will be in place by the end of January 2023.

## **7.6 Human Resources Implications (if required)**

7.6.1 None

## **7.7 Public Sector Equality Duty**

7.7.1 An Equalities Impact Assessment (EIA) has been undertaken (Ref EQUA1173) to support this report and associated appendices. The screening has highlighted that the impact of this strategy is envisaged to be positive in terms of providing more appropriate accommodation to meet a range of needs. Policies and procedures are already in place to mitigate any potential negative impacts. The EIA is shown at Appendix 3.

## **8 Environment Sustainability Assessment**

8.1 An Environmental Sustainability Assessment is shown at Appendix 4.

## **9 Background Documents**

July 2021 Afghan resettlement ARAP

December 2021 Afghan resettlement ACRS

July 2022 Flexible Contracting Agreement / Framework

**List of appendices accompanying this report:**

Appendix 1. Birmingham LAHF and Afghan Refugees

Appendix 2. MoU template

Appendix 3. Equality Impact Assessment (EQUA1173)

Appendix 4. Environmental Sustainability Assessment

Appendix 5. DLUHC scheme prospectus

Appendix 6. Letter to Chief Executive with BCC's allocation

Appendix 7. DLUHC award LAHF 2 MOU letter



## Appendix 1

### Birmingham LAHF and Afghan Refugees

#### Birmingham Context on Afghan Refugees

- 
- In July 2021, Cabinet approved the arrival of 80 individuals under the initial Afghan Assistance and Relocation Policy in 2021/22
  - In December 2021, Cabinet approved the arrival of 110 individuals under the combined Afghan schemes, for the years 2022/23 and 2023/24
  - Responsibility was delegated to the Cabinet Member for Social Inclusion, Community Safety & Equalities and the corporate lead officer for migration to decide whether to continue to resettle refugees on the Afghan schemes at this same rate for up to two further years (2024/25 and 2025/26). The reason for this was lack of clarity from Government at the time, regarding the length of the arrivals period on the Afghan schemes.

#### Current situation

- 
- Since 2021, BCC has seen a steady flow of arrivals under the Afghan schemes.
  - In 2022, BCC's Year 1 "Arrivals, Orientation & Accommodation" service was recommissioned, which meant a pause in welcoming arrivals to the city.
  - Since re-mobilising this service in November 2022, BCC has welcomed well over half the annual allocation of individuals under the Afghan scheme. This has taken place via a new subcontracted accommodation provider (Claremont Living – former arrangement was with Spring Housing). The Home Office has a further list of 80 Afghan scheme individuals looking to move to Birmingham.
  - All referrals under the Afghan scheme are in-country referrals – from bridging hotels or other local authorities.
  - Given the length of stay for Afghan families in bridging hotels, the Home Office is also encouraging families to follow the "Find your Own Accommodation Pathway" in the private rented sector.
  - There is currently a myriad of pathways whereby families are coming to / being referred to Birmingham. Where families have the choice, Birmingham is a popular one.
  - It is likely that we will have more Afghan families living in Birmingham through secondary migration than just those that we knowingly resettle through the Afghan schemes.
  - A large portion of families needing accommodation on the Afghan schemes are large families (8,9,10+ family members) requiring 4+ bedroom properties.

## **Implications of LAHF scheme on refugee integration**

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- Government has confirmed that individuals will attract the tariffs specific to their resettlement scheme and accommodation type. For Afghans, this is £20,520 minimum per person over 3 years.
- For those properties being provided under the “main programme” (2-4 bedrooms) it will be important to avoid working in conflict with BCC’s commissioned providers who are already sourcing this size of property for Afghan arrivals.
- In order to genuinely add value, BCC needs to maintain the focus on larger, 3+ bedroom properties. This is already the focus of our property acquisition scheme.
- Individuals arriving will be entitled to integration support. Subject to numbers and values this could be varied into our existing contracts; alternatively, it would be separately commissioned via the new Flexible Contracting Agreement.
- Impact of adding to existing pledges could be as follows:
  - Adding to BCC’s existing pledge to this degree (80-200) individuals will likely result in the busiest ever period for the Council in terms of individual arrivals and coordination.
  - Added to this is the existing situation with Afghan arrivals where the pledge is likely to be delivered much faster than expected.
  - We will need to make sure we are well-staffed for this, alongside the necessary commissioning resource.



## Guidance for completing the Memorandum of Understanding (MOU)

*Note: this template is shared for information only, not for LA completion. If DLUHC confirms a LAHF R2 allocation following a local authority submission of a validation or EOI form, we will send a personalised MOU (with confirmed property numbers) to the authority for completion. DLUHC is sharing this template to enable local authorities to begin seeking provisional clearances to enter into a MOU for LAHF delivery.*

This MOU relates to delivery of the LAHF R2 programme and includes standard wording for all local authorities participating in the Local Authority Housing Fund – second funding round (LAHF R2) and is non-negotiable.

It also provides a framework to enable Affordable Rent to be charged for some LAHF R2 properties (if local authorities decide this is an appropriate rent structure for their LAHF R2 delivery).

# MEMORANDUM OF UNDERSTANDING

*Between*

**Department for Levelling Up, Housing and Communities**

*-and-*

**Insert Local Authority Name**

## **1. Purpose**

- 1.1. This Memorandum of Understanding ('MOU') sets out the agreed working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and Insert **Local Authority Name** ('the Council') regarding the administration and delivery of the Local Authority Housing Fund - second funding round ('LAHF R2').
- 1.2. This MOU will be for the period Q1-Q4 2023/24. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 5.4.
- 1.3. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

## **2. Background**

- 2.1. LAHF R2 was launched on 07 June 2023. The details of the fund were shared on that date with the Council in the document 'Local Authority Housing Fund - second funding round Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF R2 is a £250m capital grant fund to:
  - provide sustainable housing for those on Afghan resettlement schemes (ARAP/ACRS) who currently reside or formerly resided in bridging accommodation
  - ease wider homelessness pressures.
- 2.3. The objectives of LAHF R2 are to:
  - Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities.

- Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to families owed homelessness duties by LAs.
  - Reduce emergency, temporary and bridging accommodation costs.
  - Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.
- 2.4. DLUHC has accepted the Council's plan to provide [TOTAL UNITS NUMBER] homes ('the delivery target') under LAHF R2, and DLUHC will provide a grant of [TOTAL ALLOCATION FIGURE] ('the total allocation'). The Council agrees the following targets to deliver at least:
- [RESETTLEMENT SCHEME ELEMENT TOTAL UNITS NUMBER] properties for households that meet the **resettlement scheme element** eligibility criteria outlined in section 3.2 of the Prospectus;
  - [TA ELEMENT TOTAL UNITS NUMBER] properties to be allocated to households that meet the TA element eligibility criteria outlined in section 3.2 of the Prospectus.
- 2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

### 3. Purpose of the Funding

- 3.1. LAHF R2 funding has been provided specifically for spending on LAHF R2 priorities and the Council agrees to spend LAHF R2 funding on activity set out in this MOU as agreed by DLUHC or subsequently agreed by DLUHC as per Paragraph 4.4.
- 3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money. DLUHC's contributory share of funding ('the average grant rate per unit') should not exceed the maximum described below but the grant per unit for individual properties can be higher.
- 3.3. The maximum average grant rate per unit (for the portfolio of all properties, not individual purchases) is calculated as 40% of the costs of acquisition or refurbishment that the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 40% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration,

furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.

- 3.4. The Council can determine how it uses the £20,000 per property and can choose how much of the grant is to be spent on each individual property.
- 3.5. The Council or its delivery partner(s) will fund the outstanding share for each property.
- 3.6. The funding will be provided by DLUHC in two tranches. The 'Tranche 1 allocation' is 30% of the total allocation. The 'Tranche 2 allocation' is 70% of the total allocation. Both are set out in Table 1.

*Table 1 – Funding allocation*

	Tranche 1 allocation £	Tranche 2 allocation £	Total allocation £
Properties for households that meet the <b>resettlement scheme element</b> eligibility criteria for this Programme			
Properties for households that meet the <b>TA element</b> eligibility criteria for this Programme			
<b>Total funding</b>			

#### 4. Delivery Profile

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and the number of resettlement scheme households housed. Any variations to this, and necessary changes to the MOU, will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 above is provided to deliver the delivery target. The Council agrees to make best endeavours to meet the delivery target by 29 March 2024.
- 4.3. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.4. A further Grant Determination Letter (GDL) will be provided following confirmation of each tranche payment.
- 4.4. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target number of units, the Council may ask for either a higher or lower target. Any proposed change will

impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Section 5.1 of the Prospectus and confirmed in writing.

## **5. Financial Arrangements**

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 2 sets out the timetable for payments to be made to the Council. Payment for Tranche 1 allocation will be made in July 2023 or August 2023. The Tranche 2 allocation will be paid once the Council has demonstrated that at least 60% of the Tranche 1 allocation has been committed ('the spend requirement') via a Section 151 officer Statement of Grant Usage. This will be paid in line with timings outlined in Table 2.
- 5.3. Should the Council not meet the spend requirement for Tranche 2 payments by the dates set out in Table 2 below, DLUHC will consider putting in place further payment dates.
- 5.4. The Council may wish to return unspent monies to the Department.

*Table 2 – Payments timetable*

<b>Payment milestone</b>	<b>Requirements for payment milestone</b>	<b>Payment by</b>
<b>Tranche 1 payment (30% of total allocation)</b>	<b>EITHER</b>  Signing of this MOU by 14 July 2023	Last working day of July 2023
	<b>OR</b>  Signing of this MOU by 14 August 2023	Last working day of August 2023
<b>Tranche 2 payment (70% of total allocation)</b>	<b>EITHER</b>  Submission of Statement of Grant Usage (demonstrating 60% of the first tranche has been committed) by 9 October 2023  Relevant monitoring information as outlined in section 8 submitted by 9 October 2023	Last working day of October 2023
	<b>OR</b>  Submission of Statement of Grant Usage (demonstrating 60% of the first tranche has been committed) by 24 November 2023  Relevant monitoring information as outlined in section 8 submitted by 24 November 2023	Mid-December 2023

## 6. Charging Affordable Rents for LAHF funded homes

- 6.1. The LAHF Prospectus specified “It is up to local authorities to determine the precise rent level and tenure of homes in line with the fund objectives. This could include...Affordable Rent.”
- 6.2. The Rent Standard <https://www.gov.uk/government/publications/rent-standard/rent-standard-april-2023-accessible-version> provides that Affordable Rents may be charged only in limited circumstances.
- 6.3. This MOU records the agreement between the Secretary of State and the Council that relevant accommodation, provided by the Council or a partner Registered Provider pursuant to LAHF grant funding, is permitted to be let at an Affordable Rent, and that accordingly that an Affordable Rent may be charged for such accommodation in accordance with paragraph 3.8b of the Rent Standard - April 2023.
- 6.4. In Paragraph 6.3, “relevant accommodation” means accommodation:
  - in the Council area;
  - which is being used to further the LAHF objectives set out at paragraph 2.3 of the MOU;
  - which has never been let at a social rent; and
  - where the accommodation is provided by a partner Registered Provider, for which the Council has agreed that the partner Registered Provider may charge affordable rent.

## 7. Roles and Responsibilities

### DLUHC Responsibilities

- 7.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

### Council Responsibilities (fund delivery)

- 7.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers, local authority housing companies or other bodies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.

- 7.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:
- **subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.
  - **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
  - **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
  - **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.
- 7.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

Council Responsibilities (Affordable Rents – where required by LAs)

- 7.5. The Council should note (and remind partner Registered Providers) that conversion of social rent properties to affordable rent is not permitted pursuant to paragraph 3.15 of the Rent Standard other than in the circumstances set out in chapter 2 of the Rent Policy Statement.
- 7.6. Where the Council has agreed that a partner Registered Provider may charge affordable rent, the Council will confirm to the Registered Provider that the Registered Provider may charge affordable rent in accordance with Paragraph 6.3 of this MOU.
- 7.7. The Council will require partner Registered Providers to provide details to the Council of any accommodation provided pursuant to LAHF grant funding for which Affordable Rent is charged.
- 7.8. The Council will maintain a register of any accommodation provided pursuant to LAHF grant funding for which it or a partner Registered Provider is charging Affordable Rent. This register should be available for inspection upon request by either DLUHC or the Regulator for Social



Housing. The fields of information required in register are specified in **Annex C**.

## **8. Monitoring Arrangements and Accountability**

- 8.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

### Reporting Arrangements

- 8.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 8.3. The first report will be due in October 2023 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 8.4. Spend outturn and forecast should be signed off by the Section 151 officer or deputy Section 151 officer.
- 8.5. A Statement of Grant Usage Section 151 officer or deputy Section 151 officer should be submitted when at least 60% of the Tranche 1 allocation has been committed
- 8.6. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.
- 8.7. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

## **9. Governance & Assurance**

- 9.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.

- 9.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:

“Data may be shared with other enforcement agencies for the prevention and detection of crime.”

**Signed for and on behalf of DLUHC**

Signature:

Name:

Position:

Date:

**Signed for and on behalf of Insert **Local Authority Name****

Signature:

Name:

Position:

Date:

## **Annex A – Reporting and Monitoring Arrangements**

### **Scope and Purpose**

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

### **DLUHC Role**

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

### **Council Role**

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

### **Management Information (MI)**

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

*Table 3 – Monitoring Data*

Item	Frequency
Number of properties where contracts exchanged, including: <ul style="list-style-type: none"> <li>• bedroom size</li> <li>• whether located in another borough area</li> <li>• who will own the dwellings</li> <li>• how properties obtained</li> </ul>	Every 2 months
Number of properties occupied/ ready to let, including bedroom size	Every 2 months
Number of resettlement scheme households housed	Every 2 months
Number of pending resettlement scheme properties pre-matched to current/ former bridging hotel households	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

*Table 4 – Evaluation Data*

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In April 2024 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of resettlement scheme households housed by previous housing situation, e.g. in bridging hotel, in LA emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	

- In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
- Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

### **Frequency of Reporting**

- The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

### **Data Consistency**

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

### **Use of Material Provided**

9. DLUHC will use the provided material to monitor delivery nationally.

## Annex B – Monitoring Milestones

1. The Council is requested to submit the monitoring information summarised in **Annex A** via a Microsoft Form every two months by 5pm on the dates outlined below. DLUHC will provide the link to the form directly to the Council well in advance of each touchpoint date.
2. In order to demonstrate that the spend requirement has been met to enable a Year 2 payment, the Council will also need to submit a Section 151 Officer Statement of Grant Usage to [LAHF@levellingup.gov.uk](mailto:LAHF@levellingup.gov.uk) *in addition to* submitting the form by 5pm on the dates outlined below.
3. The Section 151 Officer Statement of Grant Usage only needs to be submitted when the Council wishes to demonstrate the spend requirement has been met, and also at the end of the programme. It does not need to be submitted at every monitoring touchpoint.
4. The Microsoft Form needs to be submitted at every monitoring touchpoint. DLUHC will provide full guidance for submitting the form directly well in advance of each touchpoint date.

*Table 5 – Monitoring Touchpoint Dates*

Monitoring touchpoint	Microsoft Form to be submitted by 5pm on the following dates	Section 151 Officer Statement of Grant Usage required?
Touchpoint 1	9 October 2023	Yes, if LA wishes to enable Tranche 2 payment in October 2023
Touchpoint 2*	24 November 2023	Yes, if LA wishes to enable Tranche 2 payment in December 2023
Touchpoint 3	8 February 2023	N/A
Touchpoint 4	8 April 2023	N/A
Evaluation	April 2024 onwards	N/A

\*this touchpoint has been brought forward slightly earlier than the 2-month mark to account for the holiday period in December

## **Annex C – Register of LAHF accommodation for which an Affordable Rent is charged**

This annex sets out the agreed information which will be contained in the Council's Register of LAHF accommodation for which an Affordable Rent is charged.

This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing.

Property address			
Completion date			
Name of Registered Provider			
Registration Code			

(Note: The Council is not required to submit this information as part of regular delivery monitoring submissions.)





Title of proposed EIA	DLUHC funding - local authority housing funD round 2 (LAHF R2)
Reference No	EQUA1173
EA is in support of	Amended Service
Review Frequency	No preference
Date of first review	04/08/2023
Directorate	City Housing
Division	Housing Support asnd Solution Services
Service Area	Temporary Accommodaiton
Responsible Officer(s)	<input type="checkbox"/> Lewis Rees
Quality Control Officer(s)	<input type="checkbox"/> Sonia Sheward
Accountable Officer(s)	<input type="checkbox"/> Stephen Philpott
Purpose of proposal	To obtain Cabinet approval to bid and accept grant to support acquisition of properties to accommodate Afghan refugees and homeless families with dependents
Data sources	relevant reports/strategies
Please include any other sources of data	
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Not Applicable
Age details:	No negative impact identified. Provision of better quality, more settled accommodation for homeless families and refugee families will improve the life chances of the children within those families
Protected characteristic: Disability	Service Users / Stakeholders
Disability details:	<div style="border: 1px solid #ccc; padding: 10px;"> <p>No negative impact identified. Some members of the families accommodated may have disabilities. Provision of better quality, more settled accommodation for refugee families and homeless families will improve life chances of people with disabilities within those families, especially where it is possible to make appropriate adaptations.</p> </div>

Protected characteristic: Sex

Service Users / Stakeholders

Gender details:

It is possible that some of the homeless families will be single parent families led by women. Provision of better quality, more settled accommodation for these families will improve the life chances of women with those families.

Protected characteristics: Gender Reassignment

Not Applicable

Gender reassignment details:

Not Applicable  
No impact identified

Protected characteristics: Marriage and Civil Partnership

Not Applicable

Marriage and civil partnership details:

Not Applicable  
No impact identified

Protected characteristics: Pregnancy and Maternity

Not Applicable

Pregnancy and maternity details:

Not Applicable  
No impact identified

Protected characteristics: Race

Service Users / Stakeholders

Race details:

This programme is specifically targeting refugees from Afghanistan and will have a positive impact on those communities through provision of better quality, more settled accommodation.

Protected characteristics: Religion or Beliefs

Not Applicable

Religion or beliefs details:

Not Applicable

No impact identified

Protected characteristics: Sexual Orientation

Not Applicable

Sexual orientation details:

Not Applicable

No impact identified

Socio-economic impacts

The provision of better quality more settle accommodation will have a positive impact on the Afghan families and homeless families on their ability to improve their economic circumstances.

Please indicate any actions arising from completing this screening exercise.

none

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

N/A

Consultation analysis

N/A

Adverse impact on any people with protected characteristics.

none

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

N/A

How will the effect(s) of this policy/proposal on equality be monitored?

N/A

What data is required in the future?

N/A

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

none

Initial equality impact assessment of your proposal

Consulted People or Groups

Informed People or Groups

Summary and evidence of findings from your EIA

N/A

#### QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

No

Quality Control Officer comments	Checked and ready for sign off
Decision by Quality Control Officer	Proceed for final approval
Submit draft to Accountable Officer?	Yes
Decision by Accountable Officer	
Date approved / rejected by the Accountable Officer	
Reasons for approval or rejection	
Please print and save a PDF copy for your records	Yes

Content Type: Item  
Version: 23.0  
Created at 19/07/2023 05:23 PM by ☐ Marcia Bell  
Last modified at 27/07/2023 11:17 AM by Workflow on behalf of ☐ Sonia Sheward

Close

## Appendix 4

### Environment and Sustainability Assessment

Project Title: DLUHC Funding - Local Authority Housing Fund Round 2 (LAHF R2)				
Department: City Housing		Team: Housing Solutions		Person Responsible for assessment: Lewis Rees
Date of assessment: 11/07/2023		Is it a new or existing proposal? New, but relates to existing homelessness property acquisition scheme		
Brief description of the proposal: DLUHC Capital Grant to subsidise acquisition of street properties to accommodate Afghan citizens and provide more temporary accommodation for homeless households in Birmingham				
Potential impacts of the policy/development decision/procedure/ on:	Positive Impact	Negative Impact	No Specific Impact	What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?
Natural Resources- Impact on natural resources including water, soil, air			x	
Energy use and CO <sub>2</sub> emissions	x			Some acquired properties will have works done to improve energy efficiency prior to letting. All properties will be brought up to at least an EPC C rating. Works to achieve this may include replacement of single glazed windows with double glazed, replacement UPVC windows, replacement of old boilers with ASHP or AAA boilers, replacement of radiators, roof repairs.
Impact on local green and open spaces and biodiversity			x	
Use of sustainable products and equipment			x	
Minimising waste			x	

Council plan priority: a city that takes a leading role in tackling climate change			x	
Overall conclusion on the environmental and sustainability impacts of the proposal	The proposal involves purchase and, if necessary, renovation and repair of existing properties, which will then be let as temporary accommodation. Environmental impact will either be neutral or positive where the energy efficiency of properties is improved.			

If you require assistance in completing this assessment, then please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)

## Appendix 5

### DLUHC Scheme Prospectus

[Local Authority Housing Fund: Round 2 prospectus and guidance - GOV.UK  
\(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/674242/Local_Authority_Housing_Fund_Round_2_prospectus_and_guidance.pdf)





## Appendix 6

Dear Chief Executive,

We are writing to you today following the Department for Levelling Up, Housing, and Communities' announcement in March of an additional £250 million for a second round of the Local Authority Housing Fund to run over the financial year 2023-24.

Birmingham has received an initial funding allocation and we would like to invite you to submit a validation form.

The United Kingdom has welcomed over 24,000 Afghans who worked alongside the government and risked their lives alongside our Armed Forces, as well as people who assisted British efforts in Afghanistan. Local authorities play a vital role in integrating recent arrivals to the UK. It is thanks to the hard work of so many in local government and the wider public sector across all parts of our country that we have been able to welcome so many people to safety.

The Home Office's Afghan Relocations and Assistance Policy (ARAP) and the Afghan Citizens Resettlement Scheme (ACRS) have already helped around 9,000 people into settled accommodation. In March 2023, the government announced plans to increase support for the remaining Afghan cohort in bridging hotel accommodation to secure settled accommodation. This will help to provide more stability for families so they can rebuild their lives in the UK and contribute to society with the support of public services, schooling, and employment while in parallel also ending the use of bridging hotels which do not offer suitable long-term accommodation and have increased pressure on local communities.

In December 2022, the Department for Levelling Up, Housing and Communities (DLUHC) launched the first round of the Local Authority Housing Fund (LAHF R1), an innovative capital fund that supports local authorities in England to obtain housing for those who are unable to find settled accommodation on resettlement schemes.

LAHF R1 provides £500m funding for local authorities in England to obtain accommodation for families with housing needs who have arrived in the UK via Ukrainian (for example the Homes for Ukraine scheme) and Afghan resettlement and relocation schemes. LAHF will help local authorities to address these immediate pressures as well as build a sustainable stock of affordable housing for the future. LAHF R1 aims to deliver over 3,000 homes, with the majority being obtained by November 2023. The intention is also to ensure that those communities, which have been most generous in welcoming those fleeing conflict and persecution in Ukraine and Afghanistan, are not disadvantaged by increased pressures from these arrivals on the existing housing and homelessness system.

In March 2023, it was announced that the Local Authority Housing Fund would be expanded by £250m for a second round of funding (LAHF R2), with the majority of the additional funding used to house those on Afghan resettlement schemes (ARAP/ACRS) currently in bridging accommodation and the rest used to ease wider homelessness pressures. The £250m second round of LAHF supports the Government's humanitarian obligations to provide safe and suitable housing to those fleeing their country. LAHF R2 will also support local authorities to acquire good quality, and better value for money Temporary Accommodation (TA) for families owed a homelessness duty by local authorities. This will reduce the usage of B&B accommodation and will enable local authorities to grow their asset base, creating sustainable assets to help manage local housing pressures on an ongoing basis.

We are grateful to those councils and representative organisations who have helped shape this second round of the fund.

The prospectus for the second round of funding, setting out more detail on what it is for and how it works, can be found here: <https://www.gov.uk/government/publications/local-authority-housing-fund-round-2/local-authority-housing-fund-round-2-prospectus-and-guidance>

#### Your Allocation

Birmingham has provisionally been identified as eligible for capital grant funding (under section 31 of the Local Government Act 2003), with an indicative allocation of £1,060,000 in funding.

Resettlement element: we expect you to provide a minimum of 6 home(s) for the resettlement element.

TA element: we expect you to provide a minimum of 4 home(s) for the TA element.

As with other affordable housing provision, we expect you to part fund or finance some of the required capital. Government funding equates to 40% of total capital costs plus £20,000 per property to account for other costs including refurbishment. The grant rate per property for your local authority is £86,000 (based on median property prices in your area) plus £20,000 per property.

The first tranche of LAHF R2 (30% of the funding) provided by DLUHC will be paid in July/August and the second tranche of funding (70%) will be paid in October/December (the second tranche of funding is paid once the LA has spent 60% of their first tranche of funding – further details are provided in the prospectus). For example, if you agree to deliver the number of units outlined above, the funding split would be as follows:

	Tranche 1 allocation	Tranche 2 allocation	Total grant
Total funding	£318,000	£742,000	£1,060,000

We are inviting you to submit your proposals to use the funding in line with the scheme's objectives, namely to:

- Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities;
- Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to those owed homelessness duties by local authorities;
- Reduce emergency, temporary and bridging accommodation costs;
- Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.

While local authorities will take the lead in their areas, we would like you to work closely with your partners, particularly housing associations, who stand ready to assist and in some cases may be the most appropriate delivery vehicle.

#### Validation Process

With increasing pressures on homelessness services, action is needed now. Accordingly, we have sought to make the process for taking part in this programme as simple as possible.

You are requested to complete a validation form to provide basic details on your proposal. We will expect your proposal to be supported by your Section 151 officer. The online validation form can be found here: <https://consult.levellingup.gov.uk/funding/2db020c1/> and validation form guidance here.

You can use this form to let us know if you are not able to deliver the full number of units set out or whether you could deliver more. Proposals will need to use the grant rates set out above. We will redistribute any residual funding from within the £250m programme as appropriate.

#### Next Steps

The accompanying prospectus outlines the fund in more detail and the process for completing your validation form by 17:00 on 5 July 2023. We encourage you to return your validation form as soon as you are able to as we may be able to work faster with those who agree to the terms of the programme and return their validation forms earlier.

Once we confirm the outcome of the validation review process, we will invite local authorities to sign a memorandum of Understanding (MOU) to confirm their final allocation. This will include any new or additional funding agreed as part of the reallocations process.

A template of the LAHF R2 MOU is available here. We strongly encourage all local authorities to begin seeking necessary clearances to enter into a MOU (based on the standard terms of the MOU template and the information they provided in the validation form) to ensure timely agreement of the completed MOU once we have completed our review of the validation form.

We will be hosting online webinars to provide you with an opportunity to ask any questions about the fund. The webinars will take place on 13 June 2023 and 16 June 2023 and will be held via MS Teams which you can sign up to via Eventbrite: <https://www.eventbrite.com/e/local-authority-housing-fund-round-2-information-webinars-tickets-648020154727>

If you have questions which were not answered by the prospectus or webinar, you can contact the team on [LAHF@levellingup.gov.uk](mailto:LAHF@levellingup.gov.uk). Thank you for everything your local authority is doing to support those at risk of homelessness and for helping those on the Afghan resettlement schemes find settled accommodation. We look forward to continuing to work with you in the coming weeks and months.

Yours sincerely,

Emma Fraser and Melanie Montanari

Directors, Housing Supply and Markets

Department for Levelling Up, Housing and Communities



## Appendix 7

**MEMORANDUM OF UNDERSTANDING***Between***Department for Levelling Up, Housing and Communities***-and-***Birmingham City Council****1. Purpose**

- 1.1. This Memorandum of Understanding ('MOU') sets out the agreed working relationship between the Department for Levelling Up, Housing and Communities ('DLUHC') and Birmingham City Council ('the Council') regarding the administration and delivery of the Local Authority Housing Fund - second funding round ('LAHF R2').
- 1.2. This MOU will be for the period Q1-Q4 2023/24. It will be reviewed and updated only where either of the signatories deem it necessary, in which case it will require joint agreement. Further detail on changing the MOU is set out in Paragraph 5.4.
- 1.3. This MOU is not intended to create legal or binding obligations. It describes the understanding between both parties for the use of funding specified in Section 3 of this agreement.

**2. Background**

- 2.1. LAHF R2 was launched on 07 June 2023. The details of the fund were shared on that date with the Council in the document 'Local Authority Housing Fund - second funding round Prospectus and Guidance' ('the Prospectus').
- 2.2. LAHF R2 is a £250m capital grant fund to:
  - provide sustainable housing for those on Afghan resettlement schemes (ARAP/ACRS) who currently reside or formerly resided in bridging accommodation
  - ease wider homelessness pressures.
- 2.3. The objectives of LAHF R2 are to:
  - Provide sustainable housing to those on Afghan resettlement schemes at risk of homelessness so that they can build new lives in the UK, find employment and integrate into communities.

- Reduce local housing pressures beyond those on Afghan resettlement schemes by providing better quality temporary accommodation to families owed homelessness duties by LAs.
  - Reduce emergency, temporary and bridging accommodation costs.
  - Reduce impacts on the existing housing and homelessness systems and those waiting for social housing.
- 2.4. DLUHC has accepted the Council's plan to provide 66 homes ('the delivery target') under LAHF R2, and DLUHC will provide a grant of £6,996,000 ('the total allocation'). The Council agrees the following targets to deliver at least:
- 6 properties for households that meet the resettlement scheme element eligibility criteria outlined in section 3.2 of the Prospectus;
  - 60 properties to be allocated to households that meet the TA element eligibility criteria outlined in section 3.2 of the Prospectus.
- 2.5. This MOU covers the funding commitments from DLUHC and the delivery, financial expenditure, agreed milestones, reporting and evaluation, and communications between the Parties. It also sets out the steps DLUHC could take in the event of underperformance if required.

### **3. Purpose of the Funding**

- 3.1. LAHF R2 funding has been provided specifically for spending on LAHF R2 priorities and the Council agrees to spend LAHF R2 funding on activity set out in this MOU as agreed by DLUHC or subsequently agreed by DLUHC as per Paragraph 4.4.
- 3.2. DLUHC will part fund the cost of the Council obtaining properties for use by households that meet the eligibility criteria. The Council will use its best endeavours to meet the delivery target and to achieve value for money. DLUHC's contributory share of funding ('the average grant rate per unit') should not exceed the maximum described below but the grant per unit for individual properties can be higher.
- 3.3. The maximum average grant rate per unit (for the portfolio of all properties, not individual purchases) is calculated as 40% of the costs of acquisition or refurbishment that the council charges to its capital budget plus £20,000 per property. Eligible costs funded by the 40% and the £20,000 per property could include the purchase price, stamp duty, surveying, legal and other fees, refurbishments, energy efficiency measures, decoration, furnishings, or otherwise preparing the property for rent and potentially irrecoverable VAT incurred on these items. The Council should ensure it complies with the Code of Practice for Local Authority Accounting.

- 3.4. The Council can determine how it uses the £20,000 per property and can choose how much of the grant is to be spent on each individual property.
- 3.5. The Council or its delivery partner(s) will fund the outstanding share for each property.
- 3.6. The funding will be provided by DLUHC in two tranches. The 'Tranche 1 allocation' is 30% of the total allocation. The 'Tranche 2 allocation' is 70% of the total allocation. Both are set out in Table 1.

*Table 1 – Funding allocation*

	Tranche 1 allocation	Tranche 2 allocation	Total allocation
<b>Total funding</b>	£2,098,800	£4,897,200	£6,996,000

#### **4. Delivery Profile**

- 4.1. Delivery of the fund will be measured on the basis of exchange of contracts, or equivalent milestone where exchange of contract will not occur, and the number of resettlement scheme households housed. Any variations to this, and necessary changes to the MOU, will need to be agreed by the parties and an amendment to this MOU made.
- 4.2. Funding outlined in Table 1 above is provided to deliver the delivery target. The Council agrees to make best endeavours to meet the delivery target by 29 March 2024.
- 4.3. This MOU is for the full term of the total allocation unless signatories agree to change as per Paragraph 4.4. A further Grant Determination Letter (GDL) will be provided following confirmation of each tranche payment.
- 4.4. DLUHC and the Council both have the right to request a change to the MOU. With regards to changing the target number of units, the Council may ask for either a higher or lower target. Any proposed change will impact the amount of funding received (as set out in the Prospectus) unless the Council is seeking to deliver more units for the same amount of money. Requests will be considered based on the progress of the reallocations process as outlined in Section 5.1 of the Prospectus and confirmed in writing.

## 5. Financial Arrangements

- 5.1. The agreed funds will be issued to the Council as grant payments under section 31 of the Local Government Act 2003. The Council may pass on the funding to a third party (e.g. Registered Providers) as appropriate to deliver the delivery target, complying with the Subsidy Control Act 2022.
- 5.2. Table 2 sets out the timetable for payments to be made to the Council. Payment for Tranche 1 allocation will be made in July 2023 or August 2023. The Tranche 2 allocation will be paid once the Council has demonstrated that at least 60% of the Tranche 1 allocation has been committed ('the spend requirement') via a Section 151 officer Statement of Grant Usage. This will be paid in line with timings outlined in Table 2.
- 5.3. Should the Council not meet the spend requirement for Tranche 2 payments by the dates set out in Table 2 below, DLUHC will consider putting in place further payment dates.
- 5.4. The Council may wish to return unspent monies to the Department.

*Table 2 – Payments timetable*

Payment milestone	Requirements for payment milestone	Payment by
<b>Tranche 1 payment (30% of total allocation)</b>	<b>EITHER</b> Signing of this MOU by 14 July 2023	Last working day of July 2023
	<b>OR</b> Signing of this MOU by 14 August 2023	Last working day of August 2023
<b>Tranche 2 payment (70% of total allocation)</b>	<b>EITHER</b> Submission of Statement of Grant Usage (demonstrating 60% of the first tranche has been committed) by 9 October 2023  Relevant monitoring information as outlined in section 8 submitted by 9 October 2023	Last working day of October 2023
	<b>OR</b> Submission of Statement of Grant Usage (demonstrating 60% of the first tranche has been committed) by 24 November 2023  Relevant monitoring information as outlined in section 8 submitted by 24 November 2023	Mid-December 2023



## 6. Charging Affordable Rents for LAHF funded homes

- 6.1. The LAHF Prospectus specified “It is up to local authorities to determine the precise rent level and tenure of homes in line with the fund objectives. This could include...Affordable Rent.”
- 6.2. The Rent Standard <https://www.gov.uk/government/publications/rent-standard/rent-standard-april-2023-accessible-version> provides that Affordable Rents may be charged only in limited circumstances.
- 6.3. This MOU records the agreement between the Secretary of State and the Council that relevant accommodation, provided by the Council or a partner Registered Provider pursuant to LAHF grant funding, is permitted to be let at an Affordable Rent, and that accordingly that an Affordable Rent may be charged for such accommodation in accordance with paragraph 3.8b of the Rent Standard - April 2023.
- 6.4. In Paragraph 6.3, “relevant accommodation” means accommodation:
  - in the Council area;
  - which is being used to further the LAHF objectives set out at paragraph 2.3 of the MOU;
  - which has never been let at a social rent; and
  - where the accommodation is provided by a partner Registered Provider, for which the Council has agreed that the partner Registered Provider may charge affordable rent.

## 7. Roles and Responsibilities

### DLUHC Responsibilities

- 7.1. DLUHC is responsible for setting national housing policy, providing grant(s) to the Council and monitoring the delivery of homes.

### Council Responsibilities (fund delivery)

- 7.2. The Council will make housing investment decisions, review existing housing policies and products, maximise leverage of this public sector investment and ensure that funds provide value for money and are deliverable within the timescale of the fund. The Council may work in partnership with private Registered Providers, local authority housing companies or other bodies to deliver homes. The Council will also report on the fund by providing Management Information (MI) as set out in **Annex A** of this MOU and will work with DLUHC to ensure they have the capability to deliver the fund and provide MI within the set timescales.

- 7.3. The Council is expected to have the necessary governance and assurance arrangements in place and that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely:
- **subsidy control**, at all levels e.g. the funding the Council allocates to project deliverers and subsidies that project deliverers provide to third parties.
  - **equalities duties**, the Council must ensure that all LAHF funded activity is delivered in accordance with its obligations under the public sector equality duty (PSED)
  - **procurement**, the Council must ensure that the allocation of funding to project deliverers that constitutes a procurement is managed in compliance with the public contract regulations
  - **fraud**, the Council must ensure that robust arrangements are in place to manage fraud risk, including ensuring that project deliverers have robust fraud risk management process and paying particular attention to projects that involve the payment of grants to beneficiaries e.g. businesses.
- 7.4. The Council's Section 151 Officer is expected to ensure that these legal duties and all other relevant duties are considered and that delivery of LAHF investment is carried out with propriety, regularity and value for money.

Council Responsibilities (Affordable Rents – where required by LAs)

- 7.5. The Council should note (and remind partner Registered Providers) that conversion of social rent properties to affordable rent is not permitted pursuant to paragraph 3.15 of the Rent Standard other than in the circumstances set out in chapter 2 of the Rent Policy Statement.
- 7.6. Where the Council has agreed that a partner Registered Provider may charge affordable rent, the Council will confirm to the Registered Provider that the Registered Provider may charge affordable rent in accordance with Paragraph 6.3 of this MOU.
- 7.7. The Council will require partner Registered Providers to provide details to the Council of any accommodation provided pursuant to LAHF grant funding for which Affordable Rent is charged.
- 7.8. The Council will maintain a register of any accommodation provided pursuant to LAHF grant funding for which it or a partner Registered Provider is charging Affordable Rent. This register should be available for inspection upon request by either DLUHC or the Regulator for Social

Housing. The fields of information required in register are specified in **Annex C**.

## **8. Monitoring Arrangements and Accountability**

- 8.1. The Council will put in place appropriate governance and oversight arrangements to ensure that delivery of housing is on track and that plans remain ambitious and provide value for money.

### Reporting Arrangements

- 8.2. The Council has agreed to provide reporting information to DLUHC on fund allocations and delivery. The Council will be asked to provide a mix of quantitative and qualitative summary updates to DLUHC; a full list of MI can be found in **Annex A**.
- 8.3. The first report will be due in October 2023 and then every two months thereafter, until the Council's programme has completed. The schedule for monitoring reports is outlined in **Annex B**.
- 8.4. Spend outturn and forecast should be signed off by the Section 151 officer or deputy Section 151 officer.
- 8.5. A Statement of Grant Usage Section 151 officer or deputy Section 151 officer should be submitted when at least 60% of the Tranche 1 allocation has been committed
- 8.6. The Council also agrees to work with the department to provide any reasonable additional MI as and when requested by the DLUHC Senior Reporting Officer (SRO). DLUHC will provide an appropriate amount of time to return any additional MI requests.
- 8.7. The Council agrees to work collaboratively with any requests from DLUHC to support any retrospective assessment or evaluation as to the impact or value for money of LAHF. As a minimum, the Council is expected to monitor spend, outputs and outcomes against agreed indicators and keep this information for at least 5 years.

## **9. Governance & Assurance**

- 9.1. The Council is expected to ensure that all legal and other statutory obligations and consents will be adhered to, which may include, but not solely, state aid / subsidy control, equalities duties, procurement, health and safety, and fraud prevention. The Council has prerogative to establish internal governance and assurance arrangements as they see fit to achieve this.

- 9.2. The Council will ensure data can be shared for the prevention and detection of fraud by including the following clause in all agreements with companies or external entities in relation to LAHF – including, but not limited to, property contracts, professional services contracts, construction contracts and lease agreements:

“Data may be shared with other enforcement agencies for the prevention and detection of crime.”

**Signed for and on behalf of DLUHC**

Signature:

Name:

Position:

Date:

**Signed for and on behalf of Birmingham City Council**

Signature:

Name:

Position:

Date:

## **Annex A – Reporting and Monitoring Arrangements**

### **Scope and Purpose**

1. This annex sets out the agreed reporting and monitoring arrangements for LAHF, including the expected frequency and content of the regular reports that the Council will provide to DLUHC.

### **DLUHC Role**

2. DLUHC will support the running of the fund and maintain a national picture of delivery by putting in place a proportionate monitoring and governance framework. This will include a fund governance board(s) attended by the DLUHC Senior Reporting Officer (SRO) and other relevant stakeholders. Wherever possible DLUHC will avoid duplication of requests towards the Council.

### **Council Role**

3. Day-to-day project monitoring and delivery responsibilities will be delegated to the Council. The Council will submit reports to DLUHC in accordance with the agreed timescales and frequency set out in the MoU. The Council will also work with DLUHC to provide any reasonable additional MI required as and when requested by the DLUHC Senior Reporting Officer. DLUHC will provide an appropriate amount of time to return any additional MI requests.

### **Management Information (MI)**

4. The list of MI is split between operational data – required for monitoring the ongoing fund delivery (Table 3) and evaluation data (Table 4) required to assess the strategy-level success of the fund and inform future policy development. Tables 4 and 5 present the required routine MI and is subject to change, with agreement by DLUHC and the Council. For MI purposes, “committed spend” is considered funding which has been allocated to a property where there has been an exchange of contracts or equivalent milestone where exchange of contract will not occur.

*Table 3 – Monitoring Data*

Item	Frequency
Number of properties where contracts exchanged, including: <ul style="list-style-type: none"> <li>• bedroom size</li> <li>• whether located in another borough area</li> <li>• who will own the dwellings</li> <li>• how properties obtained</li> </ul>	Every 2 months
Number of properties occupied/ ready to let, including bedroom size	Every 2 months
Number of resettlement scheme households housed	Every 2 months
Number of pending resettlement scheme properties pre-matched to current/ former bridging hotel households	Every 2 months
Total expenditure (incl grant and other funding)	Every 2 months
Total committed spend (incl grant and other funding)	Every 2 months
DLUHC grant used	Every 2 months
Overall assessment (RAG rated) of whether delivery is on track as determined by the responsible Council officer	Every 2 months

*Table 4 – Evaluation Data*

Item	Frequency
How properties have been sourced (e.g. through stock acquisition or another delivery route)	In April 2024 and thereafter upon request to aid with evaluation of the fund
How the Council has funded its contributory share	
Breakdown of resettlement scheme households housed by previous housing situation, e.g. in bridging hotel, in LA emergency accommodation/temporary accommodation	
Tenancy duration	
Rent levels	
Number of properties obtained outside the local authority's area, if applicable, and where these are located.	

- In addition, to enable the assessment of relative value for money and to assist with future spending reviews, we may occasionally ask for additional information including details of how the fund is delivered and housing market conditions. This will provide important data to support future policy developments and will also support engagement with HM Treasury. This information will be provided to agreed timeframes when requested by DLUHC.
- Should the Council wish to amend and/or not collect any of these proposed data points, they should submit a proposal to DLUHC for agreement.

### **Frequency of Reporting**

- The Council will be asked to provide reports every two months. The schedule for monitoring reports is outlined in Annex B.

### **Data Consistency**

8. DLUHC and the Council have a shared commitment to ensure that, for clarity and transparency purposes, consistent methods of recording outputs are maintained. It is expected that the provided reporting will be robust, accurate and quality assured to a high standard. As such minimal revisions would be expected – although, where these are required, DLUHC should be advised as soon as practical.

### **Use of Material Provided**

9. DLUHC will use the provided material to monitor delivery nationally.

## Annex B – Monitoring Milestones

1. The Council is requested to submit the monitoring information summarised in **Annex A** via a Microsoft Form every two months by 5pm on the dates outlined below. DLUHC will provide the link to the form directly to the Council well in advance of each touchpoint date.
2. In order to demonstrate that the spend requirement has been met to enable a Year 2 payment, the Council will also need to submit a Section 151 Officer Statement of Grant Usage to [LAHF@levellingup.gov.uk](mailto:LAHF@levellingup.gov.uk) in addition to submitting the form by 5pm on the dates outlined below.
3. The Section 151 Officer Statement of Grant Usage only needs to be submitted when the Council wishes to demonstrate the spend requirement has been met, and also at the end of the programme. It does not need to be submitted at every monitoring touchpoint.
4. The Microsoft Form needs to be submitted at every monitoring touchpoint. DLUHC will provide full guidance for submitting the form directly well in advance of each touchpoint date.

*Table 5 – Monitoring Touchpoint Dates*

Monitoring touchpoint	Microsoft Form to be submitted by 5pm on the following dates	Section 151 Officer Statement of Grant Usage required?
Touchpoint 1	9 October 2023	Yes, if LA wishes to enable Tranche 2 payment in October 2023
Touchpoint 2*	24 November 2023	Yes, if LA wishes to enable Tranche 2 payment in December 2023
Touchpoint 3	8 February 2023	N/A
Touchpoint 4	8 April 2023	N/A
Evaluation	April 2024 onwards	N/A

\*this touchpoint has been brought forward slightly earlier than the 2-month mark to account for the holiday period in December



## **Annex C – Register of LAHF accommodation for which an Affordable Rent is charged**

This annex sets out the agreed information which will be contained in the Council's Register of LAHF accommodation for which an Affordable Rent is charged.

This register should be available for inspection upon request by either DLUHC or the Regulator for Social Housing.

Property address			
Completion date			
Name of Registered Provider			
Registration Code			

(Note: The Council is not required to submit this information as part of regular delivery monitoring submissions.)



**Birmingham City Council**  
**Cabinet Committee**

**Date 17 October 2023**



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**Subject:                                      Ratification of Selective Licence Fee**

**Commissioner Review**

The recommendations are supported following confirmation from officers that the report has been updated to reflect comments received from the Commissioners.



**Reports not on the Forward Plan / Late Report / Confidential or Exempt Information not Notified**

## **Birmingham City Council**

**3<sup>rd</sup> October 2023**



**Subject:** Ratification of Selective Licence Fee

**Report of:** Craig Cooper, Strategic Director of City Operations

**Report author:** Sajeela Naseer, Director of Regulation and Enforcement

### **1) Key Decisions not on the Forward Plan / Urgent Decisions**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	<p>Following preparation for a judicial review brought against the Council in respect of its selective licensing designation, it has been identified that the Cabinet report of the 1<sup>st</sup> March 2022 which sought approval for the scheme which designated 25 wards of the city as subject to selective licensing and to apply for confirmation of the scheme from DLUHC, gave incorrect details relating to the apportionment of the licence fee.</p> <p>It is felt that this error should be corrected at the first possible opportunity (Cabinet meeting of 17<sup>th</sup> October 2023). This gives the allows Cabinet to retrospectively ratify the correct apportionment of the fee.</p>
<i>Reasons for Immediate Implementation (if applicable)</i>	N/A
<i>Date Chief Executive Agreement obtained:</i>	<b>3 October 2023</b>
<i>Date of Leader's Agreement</i>	<b>3 October 2023</b>
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	<b>3 October 2023 – no comments</b>

**2) Key Decisions not notified on the Notification of Intention to Consider Matters in Private**

To be completed for Key Decisions not on the Forward Plan 28 days before the Cabinet meeting at which the decision is to be taken.

<i>Reasons for Urgency / why not included on the notification</i>	<b>N/A</b>
<i>Date of Leader's Agreement</i>	
<i>Name, Date and any comments of O&amp;S Chair agreement obtained:</i>	

**3) Late Reports**

To be completed for all late reports, i.e. which cannot be despatched with the agenda papers i.e. 5 clear working days' notice before meeting.

<i>Reasons for Urgency / why late</i>	<b>N/A</b>
<i>Date Chief Executive Agreement obtained</i>	
<i>Date of Leader's Agreement</i>	

# Birmingham City Council Report to Cabinet

17 October 2023



**Subject:** Ratification of Selective Licence Fee  
**Report of:** Craig Cooper, Strategic Director, City Operations  
**Relevant Cabinet Member:** Councillor Jayne Francis, Housing and Homelessness  
**Relevant O&S Chair(s):** Councillor Jack Deakin, Finance and Resources  
**Report author:** Sajeela Naseer, Director of Regulation & Enforcement  
 Telephone No: 07766 924955  
 Email Address: sajeela.naseer@birmingham.gov.uk

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Acocks Green, Alum Rock, Aston, Balsall Heath West, Birchfield, Bordesley Green, Bordesley & Highgate, Bournbrook & Selly Park, Edgbaston, Gravelly Hill, Handsworth, Heartlands, Holyhead, Ladywood, Lozells, North Edgbaston, Small Heath, Soho & Jewellery Quarter, South Yardley, Sparkbrook & Balsall Heath East, Sparkhill, Stockland Green, Tyseley & Hay Mills, Ward End, Yardley West & Stechford.		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011970/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

## 1.0 Executive Summary

- 1.1 The purpose of this report is to clarify the apportionment of the Selective Licence fee brought to Cabinet on 1<sup>st</sup> March 2022 Cabinet report “Selective Licensing – Private Rented Sector “(background papers) and ratify the correct amounts.

Ratification of Selective Licence Fee

- 1.2 On the 1<sup>st</sup> March 2022 Cabinet approved a selective licensing scheme covering 25 wards specified in the scheme, including the proposed licence fee, and an application to the Secretary of State for Levelling Up, Housing and Communities, for confirmation of that scheme.
- 1.3 It has been identified that paragraph 8.4 of the 1<sup>st</sup> March 2022 Cabinet report stated the correct overall licence fee but gave the incorrect apportionment of that fee between the Part A and Part B fees. The total licence fee as approved by Cabinet remains the same at £700. Cabinet is now asked to ratify its approval of 1 March 2022 on the basis of the correct apportionment between the Part A and B fees as stated in this report. The correct overall fee and apportionment amounts were submitted to and confirmed by the Secretary of State for Levelling Up, Housing and Communities.

## **2.0 Recommendations**

- 2.1 That Cabinet notes the correct apportionment of the £700 licence fee. That apportionment being Part A £375 and Part B £325.
- 2.2 That Cabinet ratifies its decision of the 1<sup>st</sup> March 2022 to approve the authority's selective licensing scheme in which the selective licence fee is £700 with an apportionment of Part A £375 and Part B £325.

## **3.0 Background**

- 3.1 Cabinet has previously approved recommendations to consult on the implementation of a selective licensing scheme across some of the city's wards.
- 3.2 Following the consultation process, on the 1<sup>st</sup> March 2022 Cabinet approved the proposed selective licensing scheme and the making of an application to the Secretary of State for Levelling Up, Housing and Communities for confirmation of that scheme. As part of its approval of the scheme, Cabinet approved the proposed fee of £700.
- 3.3 It has been identified that paragraph 8.4 of the 1<sup>st</sup> March 2022 Cabinet report gave an incorrect fee apportionment. Although the total licence fee of £700 was correct, the fee was shown as apportioned into a Part A fee of £295 and a Part B fee of £405. This apportionment should have been Part A fee of £375 and a Part B fee of £325.
- 3.4 In the consultation for the scheme the fee was proposed at £670 apportioned as Part A £375 and Part B £295. After consultation, consideration was given to feedback that there was a need for increased compliance and enforcement. Officers therefore reviewed the proposed staffing structure and identified that extra staffing needed to be provided within the enforcement team to deal with landlords/properties that are operating without an appropriate licence. This was clarified in the Cabinet report and stated as the reason the proposed fee increased from £670 to £700.
- 3.5 However, an error was made in the stated Part A and Part B fee elements. £30 should have been added to the Part B fee, increasing it from £295 to £325. Instead, the £30 was incorrectly added to the Part A figure (i.e., £375 became £405) and the Part A and Part B fees were then incorrectly transposed. Thus, instead of the figures being stated

## **Ratification of Selective Licence Fee**



as Part A £375 and Part B £325, they were incorrectly stated as Part A £295 and Part B £405. Clearly this was a mistake as following on from the proposed fee apportionment in the original consultation, the articulation of the reasons to increase the fee resulted in a Part A fee of £375 and Part B fee of £325.

- 3.6 This mistake was not made in the application to the Secretary of State for confirmation of the Scheme, nor in the submission in March 2023 of the fee scheme (on annual review) to the Licensing and Public Protection Committee (LPPC) both of which reflected the correct fee apportionment of Part A £375 and Part B £325.
- 3.7 The apportionment of the total licence fee under Part A and B reflects the different activities performed under each Part, and separates the costs associated with administering the application process from those of administering and enforcing the scheme as a whole. This separation is necessary to comply with the cases of *R. (Hemming and Others) vs Westminster City Council* and *R. (Gaskin) v. Richmond-upon-Thames LBC* (2018), which require that the licence fee must be split into two parts. Part A is the application fee and covers only the costs of obtaining authorisation under the scheme, and Part B, which is due only from successful applicants, covers the costs of administration, compliance and enforcement of the scheme.
- 3.8 The application element of the fee is higher than the licence element because more resources are needed to process applications, including verifying the information contained in the application, ensuring the applicant and relevant persons are fit and proper people, and verifying the maximum occupancy numbers and draft licences. Consideration also needs to be given to any representations from the proposed licence holder and any relevant people to the draft licence before a final licence is issued.
- 3.9 The correct apportionment is:  
Part A - £375  
Part B - £325  
Total Licence Fee - £700
- 3.10 It should be noted that the Part A fee has not changed from that originally proposed and consulted upon. However, to avoid any possible confusion or question as to the fee that has been approved by Cabinet, it is necessary for this report to be considered and for Cabinet to ratify its 1 March 2022 decision.
- 3.11 The Cabinet Member for Housing and Homelessness was briefed on this matter on the 26 September 2023.

#### **4.0 Risk Management**

- 4.1 The scheme could be susceptible to legal challenge (judicial review) if, for example, there was a lack of clarity as to the fees (including apportionment) that had been approved by Cabinet, or a challenge as to the fee structure being compliant with relevant case law and legislation.
- 4.2 The probability of successful challenge is reduced by Cabinet ratifying its decisions of the 1<sup>st</sup> March 2022.

#### **Ratification of Selective Licence Fee**

## **5.0 Compliance Issues**

### **5.1 How are the recommended decisions consistent with the Council's policies, plans and strategies?**

#### **5.1.1 Corporate Plan 2022-2026**

The Council's vision is to play our part in strengthening Birmingham's position as a thriving, young and diverse global city, as the beating heart of the UK both commercially and culturally; a place where everyone is included in the opportunities that the city can offer; a place where we can celebrate our heritage with a sense of pride and also look forward with a sense of optimism to a golden decade of shared opportunity in a Bolder, Better Birmingham. Tackling inequalities is at the heart of our mission and at the centre of everything we do. We will help make Birmingham a city where all citizens share in the creation and benefits of sustainable economic growth and can live longer, healthier, and happier lives.

Supporting residents to live in safe, secure, housing is one of the foundations of providing the stable environment necessary to promote a society where all citizens can be included in all opportunities.

#### **5.1.2 The scheme is consistent with the Council's Homelessness Prevention, Empty Properties, and Private Sector Housing Strategies as it brings about improvements in the private rented sector, helps to sustain and stabilise communities, thereby contributing to the reduction in approaches to the council for homelessness assistance.**

#### **5.1.3 The Environment and Sustainability Assessment has identified positive impacts of the scheme in terms of reducing carbon emissions, improving the environment, and reducing waste. No negative impacts have been identified (see appendix 1)**

### **5.2 Legal Implications**

#### **5.2.1 Section 87 of the Housing Act 2004 ("the Act") permits the Council to require any application for a selective licence to be accompanied by a fee, and that this fee may cover all costs incurred by the Council in carrying out its licensing functions.**

#### **5.2.2 In accordance with relevant case law (see 3.7), fees must be apportioned correctly with only the costs associated with administering the application up to the point of issue due upon receipt of the application (Part A), with the fee for covering general administration, compliance and enforcement activities (Part B) due from successful applicants on approval of their application.**

## **Ratification of Selective Licence Fee**

### 5.3 Financial Implications

5.3.2 The fee structure has been calculated on the basis that the scheme will be self-financing over the five-year life of the scheme. This is achieved with a full licence fee of £700 for 40,000 properties covering scheme costs of £28 million. The scheme is managed through a ring-fenced budget with appropriation to/from reserves to manage in-year surpluses or deficits reflecting the profile of income received and costs incurred. The incorrect fee apportionment previously reported does not impact the underlying financial model.

### 5.4 Procurement Implications

5.4.1 There are no procurement implications.

### 5.5 Human Resources Implications

5.5.1 There are no human resources implications.

### 5.6 Public Sector Equality Duty

5.6.1 An equality impact assessment was completed to support the 1<sup>st</sup> March 2022 Cabinet report (see appendix 2). This did not show an adverse impact on any specific protected characteristic.

## 6.0 Appendices

Appendix 1 - Environment and Sustainability Assessment

Appendix 2 - Selective Licensing Scheme Equality Impact Assessment

## 7.0 Background documents

Cabinet report of 1<sup>st</sup> March 2022 on Selective Licensing [CMIS > Meetings](#)



### **Environment and Sustainability Assessment**

Birmingham City Council is required to assess any positive or negative impacts that any policy/strategy/ decision/development proposal is likely to have on the environment. This assessment must be completed for CLT and Cabinet reports where appropriate. It is the responsibility of the Service Director signing off the report to ensure that the assessment is complete.

To complete the assessment, you should consider whether the proposal will have a positive or a negative impact on each of the key themes by placing a (✓) for positive, (x) for negative and (?) for unclear impact, and (N/A) for non-applicable impact. Further guidance on the completion of the template is available on page 3 below.

<b>Project Title:</b>	Ratification of Selective Licensing Fee			
<b>Directorate:</b> Regulation and Enforcement	<b>Team:</b> Private Sector Property Licensing	<b>Person Responsible for assessment:</b> Simon Beasley		
<b>Date of assessment:</b> 25/09/2023	<b>Is it a new or existing proposal?</b> Existing			
<b>Brief description of the proposal:</b>  <p>On the 5<sup>th</sup> June 2023 the Council designated 25 wards of the city as subject to selective licensing. The aim of the scheme is to reduce crime and/or deprivation in wards with a high proportion private rented accommodation. The scheme covers a predicted 56,000 properties.</p> <p>Following preparation for a judicial review brought against the Council in respect of its selective licensing designation, it has been identified that the Cabinet report of the 1<sup>st</sup> March 2022 which approved a submission to DLUHC to designate 25 wards of the city as subject to selective licensing gave incorrect details relating to the apportionment of the licence fee.</p> <p>It is felt that this should be corrected at the first possible opportunity (Cabinet meeting of 17<sup>th</sup> October 2023). This gives the allows Cabinet to retrospectively ratify the correct apportionment of the fee.</p>				
<b>Potential impacts of the policy/development/ decision on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources - including water, soil, air	X			The reduction in carbon emissions achieved by ensuring homes meet the Minimum Energy Efficiency Standard will improve air quality.

Energy use and CO <sub>2</sub> emissions	X			<p>One of the key priorities is to “Improve the energy efficiency of Birmingham homes, tackle fuel poverty, and reduce carbon emissions supporting grant schemes and advising/signposting both tenants and landlords to support organisations thus supporting improvements in some of the most energy inefficient homes in the city.” Domestic energy is responsible for around a third of all carbon emissions.</p> <p>The Selective Licensing Scheme requires all landlords within the designation to be monitored in respect of having up to date Energy Performance Certificate (EPC) and Electrical Installation Conditions Reports (EICR). It ensures that landlords are compliant with all aspects of the Energy Act 2011 including compliance with the Minimum Energy Efficiency Standards (MEES). The current MEES requires a property to have a minimum EPC rating of E, however, should the rating be raised the conditions will reflect the new standard.</p> <p>The team will signpost landlords and tenants to grant funding opportunities for heating and insulation works. Heating homes more efficiently will not only make utility bills more affordable for the tenant but will also contribute towards the Government’s Net Zero Strategy and the city’s Carbon Roadmap.</p> <p>The Scheme helps ensure that private rented property in the designation meets minimum standards and category 1 hazards such a damp, mould and insufficient heating are addressed. The subsequent repair of buildings may</p>
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				assist in improve energy efficiency and decreasing carbon emissions.
Quality of environment	X			The Selective Licencing Scheme will improve standards of accommodation and management across 25 wards of the most deprived and/or high crime areas of the city. This includes specific conditions around waste receptacles etc and it is hoped that the local environment will improve as a result of this.
Impact on local green and open spaces and biodiversity			X	
Use of sustainable products and equipment			X	
Minimising waste	X			<p>The licence conditions include a requirement for the landlord to provide suitable and sufficient refuse arrangements. This would include recycling bins. Licence condition below:</p> <p><b>Condition 13 – Refuse and recycling</b></p> <p>The Licence Holder must:</p> <ul style="list-style-type: none"> <li>• Provide suitable and sufficient provision is made for storage of refuse generated in the property and that occupants use receptacles provided by the Council for storage prior to collection. No waste or waste receptacle must cause obstruction.</li> <li>• Ensure that the occupiers of the house are given the information in writing about waste and recycling within 7 days of the start of their occupation. Ensure that any kind of refuse which the Council will not ordinarily collect (e.g. large items, bedding,</li> </ul>

				furniture, hazardous waste etc.) are disposed of responsibly and appropriately.
Council plan priority: a city that takes a leading role in tackling climate change	X			Implementation of the objectives will help meet the Council's aim to take a leading role in tackling climate change
Overall conclusion on the environmental and sustainability impacts of the proposal	The private rented sector is the second largest residential tenure in the city. The successful Implementation and monitoring of the objectives should reduce the level of carbon emissions in the sector. This should lead to positive environmental and sustainable impacts			



### Guidance for completing the template

Theme	Example
Natural Resources - Impact on natural resources including water, soil, air.	<p>Does the decision increase water use?</p> <p>Does the decision have an impact on air quality?</p> <p>Does the decision discourage the use of the most polluting vehicles (private and public) and promote sustainable modes of transport or working from home to reduce air pollution?</p> <p>Does the decision impact on soil?</p> <p>For example, development will typically use water for carrying out various operations and, once complete, water will be needed to service the development. Providing water to development and treating affluent water requires energy and contributes to climate change. Some of the activities including construction or disposal of waste may lead to soil pollution. The decisions may lead to more journeys thereby deteriorating air quality and thus contribution to climate change and greenhouse gases.</p>
Energy use and CO <sub>2</sub> emissions.	<p>Will the decision have an impact on energy use?</p> <p>Will the decision impact on carbon emissions?</p> <p>Most day-to-day activities use energy. The main environmental impact of producing and using energy such as electricity, gas, and fuel (unless it is from a renewable source) is the emission of carbon dioxide.</p>
Quality of environment.	<p>Does the decision impact on the overall quality of the built environment?</p> <p>Decisions may have an impact on the overall setting, character and distinctiveness in the area. For example, if development involves ground digging and excavations etc. it may have an impact on the local archaeology.</p>
Impact on local green and open spaces and biodiversity	<p>The proposal may lead to localised impacts on the local green and open spaces which may have an impact on local biodiversity, trees and other vegetation in the area.</p> <p>Will the proposal lead to loss (or creation) of green and blue infrastructure?</p> <p>For example, selling an open space may reduce access to open space within an area and lead to a loss of biodiversity. However, creating a new open space would have positive effects.</p>
Use of environmentally sustainable products, equipment and packaging	<p>Will the decision present opportunities to incorporate the use of environmentally sustainable products (such as compostable bags, paper straws etc.), recycled materials (i.e. Forest Stewardship Council (FSC) Timber/wood), non-polluting vehicles, avoid the use of single use plastics and packaging.</p>

Minimising waste	<p>Will the decision minimise waste creation and the maximise recycling during the construction and operation of the development/programme/project?</p> <p>Will the decision provide opportunities to improve recycling?</p> <p>For example, if the proposal involves the demolition of a building or a structure, could some of the construction materials be reused in the new development or recycled back into the construction industry for use on another project?</p>
Council plan priority: a city that takes a leading role in tackling climate change and deliver Route to Zero.	How does the proposal or decision contribute to tackling and showing leadership in tackling climate change and deliver Route to Zero aspirations?

If you require further assistance with completing this template, please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)

Title of proposed EIA	Selective Licensing Scheme - Private Rented Sector
Reference No	EQUA846
EA is in support of	New Strategy
Review Frequency	Annually
Date of first review	31/03/2024
Directorate	City Operations
Division	Regulation and Enforcement
Service Area	Private Rented Sector
Responsible Officer(s)	<input type="checkbox"/> Sajeela Naseer
Quality Control Officer(s)	<input type="checkbox"/> Leroy Pearce
Accountable Officer(s)	<input type="checkbox"/> Mark Croxford
Purpose of proposal	Introduce a Selective Licensing Scheme in Birmingham in the following wards: Acocks Green, Alum Rock, Aston, Balsall Heath, Birchfield, Bordesley Green, Bordesley & Highgate, Bournbrook & Selly Park, Edgbaston, Gravelly Hill, Handsworth, Heartlands, wards
Data sources	Consultation Results; relevant reports/strategies; Statistical Database (please specify); relevant research
Please include any other sources of data	Council Plan 2018 - 2022  <a href="#">Birmingham Homelessness Prevention Strategy 2017+</a>  Empty Property Strategy 2019 to 2024  Selective licensing in the private rented sector: a guide for local authorities  Housing and Planning Act 2016  Article 4 DirectionExempt Accommodation Birmingham Report  Housing Conditions Plus  Birmingham Child Poverty Commission Report
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	
Protected characteristic: Age	Service Users / Stakeholders; Wider Community
Age details:	1,141,400 people live in Birmingham according to the 2018 mid-year population estimates. This is an increase of 4,300 (0.4%) people since 2017.  22.8% (259,000) are children 64.3% (731,500) are of working age 13.0% (147,900) are pensioners  Birmingham has a young population compared to England as a whole. In the 2011 census, the average age of people in Birmingham is 35, while the median age is lower at 32.  In 2016, 46% of residents in Birmingham were aged under 30.  The licensing scheme will apply to any owner of a private rented property irrespective of the age of that person (a person under the age of 18 is not permitted to own property in their own right in English Law).  This will have no effect on tenants of properties in the Selective Licensing areas other than to ensure that proper tenancy conditions are in place.  A person is not eligible to hold an assured short hold tenancy under 16 years of age.  The proposal to introduce selective licensing is intended to enhance housing management standards in the private sector, in compliance with the Housing health and safety rating system (HHSRS) and the Housing Act 2004 standards, which will have a positive impact on all age groups.  Vulnerable age groups will particularly benefit from health intervention e.g.

<p>01/02/2022, 12:25</p>	<p>Assessments - Selective Licensing Scheme - Private Rented...</p> <p>damp and moulds, infections, reduction of trip hazards and falls as well as the requirements around excess cold which can cause or exacerbate poor health.</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristic: Disability</p> <p>Disability details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>One of the potential outcomes of licensing is that landlords will be more aware of their duties under the Equality Act 2010 and of the support that is available to disabled people including information on the availability of Disabled Facilities Grant.</p> <p>Disabled people will also benefit from the need for PRS homes to comply with the Housing Health and Safety Rating System and Housing Act 2004 in terms of reasonable adaptations, reducing trip hazards and falls as well as the requirements around excess cold which can cause or exacerbate poor health.</p> <p>Vulnerable age groups will particularly benefit from health intervention e.g. damp and moulds, infections, reduction of trip hazards and falls as well as the requirements around excess cold which can cause or exacerbate poor health.</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristic: Sex</p> <p>Gender details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>In the 2011 census the population of Birmingham was 1,073,045 and is made up of approximately 51% females and 49% males.</p> <p>There is currently no information relating to the gender profile of landlords. This will be captured and analysed during the consultation exercise.</p> <p>There is insufficient data available to measure accurately the potential impact of the proposal on gender.</p> <p>One of the aims of Selective licensing is to tackle antisocial behaviour and crime which is likely to have a positive impact on both genders, particularly for women and girls. Both sexes are likely to benefit from improvement in the private rented sector.</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristics: Gender Reassignment</p> <p>Gender reassignment details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristics: Marriage and Civil Partnership</p> <p>Marriage and civil partnership details:</p>	<p>Service Users/ Stakeholders; Wider Community</p> <p>In the 2011 census, 39.2% of people are married, 8.9% cohabit with a member of the opposite sex, 0.8% live with a partner of the same sex, 33.6% are single</p>

<p>01/02/2022, 12:25</p> <p>Protected characteristics: Pregnancy and Maternity</p> <p>Pregnancy and maternity details:</p>	<p>Assessments - Selective Licensing Scheme - Private Rented...</p> <p>and have never married or been in a registered same sex partnership, 8.9% are separated or divorced. There are 49,544 widowed people living in Birmingham.</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristics: Race</p> <p>Race details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristics: Religion or Beliefs</p> <p>Religion or beliefs details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>Birmingham is even more ethnically diverse than London, the country's capital city. The 2011 census confirmed that 70.4% of the people of Birmingham were white, 19.5% were Asian, 6.1% were Black, 0.5 were Chinese, 2.5% were mixed race, and 0.6 were of another ethnic group.</p> <p>Selective Licensing may tackle and impact on overcrowding and illegal conversions which may positively or negatively impact on large BME families.</p> <p>The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.</p> <p>No negative impact of this strategy has been identified and it was not raised within the public consultation.</p>
<p>Protected characteristics: Religion or Beliefs</p> <p>Religion or beliefs details:</p>	<p>Service Users / Stakeholders; Wider Community</p> <p>In the 2011 census, the religious make up of Birmingham is 46.1% Christian, 21.8% Muslim, 18.9% No religion, 3.0% Sikh, 2.1% Hindu, 0.4% Buddhist, 0.2% Jewish, 0.1% Agnostic.</p> <p>70,086 people did not state a religion. 2,238 people identified as a Jedi Knight and 134 people said they believe in Heavy Metal.</p> <p>The majority of Christians lived in the north, east and south of Birmingham, on the outskirts of the city, with far fewer living in inner-city areas. 51.7% of Birmingham's Hindu population lived in six wards of the city; <a href="#">Handsworth Wood</a> (2,461), <a href="#">Springfield</a> Sparkhill, Sparkbrook, Small Heath, Alum Rock, Ward End, Saltley, Bordesley Green, Washwood Heath, Stechford (2,023), Erdington, Bromford <a href="#">Lozells and East Handsworth</a> (1,761), <a href="#">Soho</a> (1,699), <a href="#">Hall Green</a> (1,224) and <a href="#">Sparkbrook</a> (845). Almost 65% of Birmingham's Jewish population lived within five wards of Birmingham; <a href="#">Edgbaston</a> (586), <a href="#">Selly Oak</a> (361), <a href="#">Moseley and Kings Heath</a> (321), <a href="#">Bournville</a> (131) and Erdington (104). 71.7% of Birmingham's Muslim population lived in seven wards of Birmingham; Sparkbrook, Sparkhill, Small Heath, Alum Rock, Ward End, Saltley, (19,372), <a href="#">Bordesley Green</a> (18,629), <a href="#">Washwood Heath Stechford</a>, (16,847), Springfield (13,461), <a href="#">Aston</a> (12,381), Lozells and East Handsworth (10,853) and <a href="#">Nechells</a> Erdington, Bromford (8,822), all inner-city wards. The majority of</p>

...were found to live in the West and South East of the city. The ward with the highest proportion of Buddhists was [Edgbaston](#) at 1.4% (257).

There is insufficient data available to measure accurately the potential impact of the proposal on religion or belief. However, one of the aims of selective licensing is to tackle antisocial behaviour, including hate crime and incidents and this is likely to have a positive impact on this characteristic.

The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.

No negative impact of this strategy has been identified and it was not raised within the public consultation.

#### Protected characteristics: Sexual Orientation

##### Sexual orientation details:

#### Service Users / Stakeholders; Wider Community

According figures published in 2017 by the Office for National Statistics (ONS) an estimated 50,000 adults in the West Midlands region were gay or lesbian, while a further 50,000 were bisexual.

One of the aims of Selective licensing is to tackle antisocial behaviour, hate crime and homophobic incidents and this aim is likely to have a positive impact on this protected characteristic.

The SLS will apply to all landlords and protect all tenants regardless of protected characteristic.

No negative impact of this strategy has been identified and it was not raised within the public consultation.

#### Socio-economic impacts

##### Homelessness

One of the causes of homelessness in Birmingham is significant disrepair in the private rented accommodation.

The proposal to introduce selective licensing is intended to enhance housing management standards in the private sector, in compliance with the Housing health and safety rating system (HHSRS) and the Housing Act 2004 , which will have a positive impact on homelessness as tenants can continue to occupy the properties.

##### Other Socio Economic Impacts

Issues raised within the consultation included:

- A view that landlords might move their property portfolio elsewhere. This is thought to be highly unlikely as the proposed licence conditions consolidate what a landlord should already be doing regardless of whether there is selective licensing or not. Good, compliant landlords should not need to spend significant sums of money in order to meet the proposed licence conditions.

The cost to ensure that a property meets the legal minimum standard is one which a landlord has to bear regardless of any licensing scheme.

- Another issue raised was in regard to the need under the scheme to provide references. This a mandatory condition.

Obtaining a reference for prospective tenants allows landlords and letting agents to make sure the tenant they are considering letting their property to has the right credentials e.g. the ability to pay rent and that they will look after their property. The process should help ensure they have good tenants which will not only benefit them but also the neighbourhood.

A 2019 House of Commons Briefing Paper - Selective licensing of private rented housing in England and Wales

(<https://researchbriefings.files.parliament.uk/documents/SN04634/SN04634.pdf>)

- identifies that tenant referencing has had a

positive impact in three selective licensing schemes operated by local authorities

It is not unusual for landlords to ask for references and so prospective tenants need to be prepared for this.

Options do exist as not all references need to have come from the landlord from a past tenancy, some tenants will be letting for the first time.

If the proposed scheme is introduced, the Council will provide support, guidance and template references to assist landlords with this stage of a tenancy.

- The view that the SLS fee would be passed on to tenants

The 2019 report commissioned by the Government "An Independent Review of the Use and Effectiveness of Selective Licensing" found no evidence to support the claim that licensing has had a demonstrable effect on rent levels.

The actual cost over five years based on the proposed licence fee is quite small.

The Council provides support for any tenants in difficulties.

#### Deprivation

Deprivation in Birmingham is a key consideration in considering Selective Licensing and Birmingham has some of the most deprived areas.

Selective Licensing will contribute to alleviating fuel poverty as measures to improve standards will ensure that heating appliances are properly checked, maintained and working efficiently. Improvements in the housing standards should also make properties more secure which should assist with minimising crime, especially in relation to burglary. Secure, safe housing provides stable accommodation that supports tenant's life chances.

Please indicate any actions arising from completing this screening exercise.

None

Please indicate whether a full impact assessment is recommended

NO

What data has been collected to facilitate the assessment of this policy/proposal?

Please see stated data sources above.

Consultation analysis

Full information relating to the consultation and BCC's analysis and response to it is found in the proposed 1 March 2022 Cabinet report on Selective Licensing.

Changes made as a result of consultation

- Following feedback from the consultation: the proposed fee for a variation of a licence has been removed. The cost for variations will now be subsumed within the overall licence fee.
- The Council will consider if possible support or signposting for arbitration between landlord and tenant disputes can be delivered.
- The Council will investigate providing online annual updates on the delivery of outcomes for the selective licensing scheme.

Adverse impact on any people with protected characteristics.

No negative impacts have been identified.

Could the policy/proposal be modified to reduce or eliminate any adverse impact? N/A

How will the effect(s) of this policy/proposal on equality be monitored?

Equality Assessment to be completed after a year of implementation.

What data is required in the future?

Number of licences issued and compliance.

Number of landlords operating without a licence where enforcement is required to bring them into compliance

Are there any adverse impacts on any particular group(s)

No

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

No negative impacts have been identified.

Consulted People or Groups

01/02/2022, 12:25

Assessments - Selective Licensing Scheme - Private Rented...

Informed People or Groups

Summary and evidence of findings from your EIA

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

Quality Control Officer comments

Decision by Quality Control Officer



Submit draft to Accountable Officer?

Decision by Accountable Officer

Date approved / rejected by the Accountable Officer

Reasons for approval or rejection

Please print and save a PDF copy for your records

Content Type: Item  
Version: 20.0  
Created at 01/02/2022 10:57 AM by  Sajeela Naseer  
Last modified at 01/02/2022 12:10 PM by Workflow on behalf of  Mark Croxford

No negative impacts have been identified.

No

No negative impacts to protected characteristics identified. This has been passed to the Accountable Officer for final approval.

Proceed for final approval

No

Approve

01/02/2022

The Assessment covers Protected Characteristics and also the possible impact on socio-economic issues/impacts too which is good not always part of assessment. The assessment feels balanced and no obvious ommissions to me as Accountable Officer.

Yes

Close



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Public Sector Decarbonisation Scheme**

### **Commissioner Review**

The recommendations are supported following confirmation from officers that the report has been updated to reflect comments received from the Commissioners.



# Birmingham City Council

## Report to Cabinet

17<sup>th</sup> October 2023



**Subject:** Public Sector Decarbonisation Scheme External Funding Application for Highbury

**Report of:** Paul Kitson, Strategic Director, Place, Prosperity and Sustainability

**Relevant Cabinet Member:** Councillor Majid Mahmood, Environment

**Relevant O & S Chair(s):** Councillor Lee Marsham, Sustainability and Transport

**Report author:** Ellie Horwitch-Smith, Assistant Director, Route to Net Zero, [ellie.horwitch-smith@birmingham.gov.uk](mailto:ellie.horwitch-smith@birmingham.gov.uk), 07834506792

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Moseley		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011439/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:		

### 1 Executive Summary

- 1.1 To seek retrospective approval to bid for £1.152m Public Sector Decarbonisation Scheme (PSDS) grant via Salix Finance Ltd.
- 1.2 The funding would pay for capital works at Highbury, which is owned by the Council through the Highbury Trust, of which the Council is the sole member. The capital works would include the replacement of old gas boilers with renewable heating

technology (ground source heat pumps) and some energy efficiency measures. The works will decarbonise the heating system and support the Council's Route to Net Zero ambitions.

## **2 Recommendations**

That Cabinet:

- 2.1 Retrospectively authorises submission of the bid for £1.152m to the Public Sector Decarbonisation Scheme Phase 3.
- 2.2 Authorises resubmission of the bid for £1.152m to the Public Sector Decarbonisation Scheme during Phase 3 if the October submission is unsuccessful, and on the basis that the criteria, scope and value remains unchanged.
- 2.3 Notes that acceptance of funding, approval to spend funding and procure partners to deliver the works will be subject to a separate report.

## **3 Background**

- 3.1 The Government has provided 3 phases of PSDS funding through Salix Finance Ltd. Phase 3 of the Public Sector Decarbonisation Scheme will provide over £1.425 billion of grant funding over the financial years 2022-2023 to 2025-2026, through multiple application windows. The Application Portal for Phase 3c of PSDS will open on 10<sup>th</sup> October 2023 and will close after 10 working days, or until a sufficient value of applications has been received for the budget available. The Council received firm confirmation on only 5th October 2023 that the bid portal would open on Tuesday 10th October at 2pm. In anticipation of the funding opening for applications in autumn 2023, the report was added to the Forward Plan in July 2023 in order to meet governance approval timescales. Previous autumn funding rounds (2022 and 2021) have launched in November.
- 3.2 The funding is allocated on a first come first served basis and therefore based on previous funding rounds, whilst the portal is open for up to 10 days, the extremely high demand has resulted in the portal closing as early as 2.30pm on the opening day. In light of the very late confirmation of the portal opening and the timescales remaining to seek formal approval to bid, support for retrospective approval was led by the Cabinet Member for Environment. The leaders of the Conservative, Liberal Democrat and Green groups have confirmed their support of this.
- 3.3 Phase 3c has up to £230 million available for allocation in 2024-2025. A further Phase 3 budget for allocation 2025-2026 will be announced later this year and is expected to be of a similar value. Further Phase 3 application rounds are anticipated in Spring and or Autumn 2024. The application can be reviewed and resubmitted subject to Cabinet approval if it is not successful in the October 2023 round and on the basis that the criteria, scope and value of application remains unchanged.
- 3.4 The aim of the programme is to decarbonise Council owned buildings using a whole building approach to increase energy efficiency, decarbonise heat and increase the

use of renewable energy technologies. The PSDS supports the aim of reducing emissions from public sector buildings by 75% by 2037, compared to a 2017 baseline, as set out in the 2021 Net Zero and Heat and Buildings strategies.

- 3.5 The PSDS is aimed at Council owned buildings with end-of-life fossil fuel heating systems, and the funding pays for alternative energy systems and measures to reduce energy used as part of a whole building approach.
- 3.6 Salix say that successful bids will be notified within 6 months of application, i.e., for Round 3c this would be before the end of March 2024 and work must be completed by 31<sup>st</sup> March 2026.
- 3.7 The Corporate Landlord programme is identifying and prioritising buildings for decarbonisation and a plan will be developed for future PSDS applications.
- 3.8 The Chamberlain Highbury Trust secured funding from the Council at the Cabinet Meeting 25<sup>th</sup> April 2023 of £3.35m and has applied for National Lottery Heritage Funding to undertake refurbishment works on the Highbury Hall building, (known as Highbury). There is insufficient funding available within the existing approved budget envelope to replace the boilers with ground source heat pumps (the capital works proposals having been based on a like for like gas boiler replacement) and so additional grant funding is required to switch to a renewable heating.
- 3.9 Should the applications to the National Lottery Heritage Fund and the PSDS be successful, a further report will be prepared to seek approval to accept the funding, confirm the proposed package(s) of works, seek approval to spend out of the approved £3.35m the required match funding amount, and seek approval to procure contractors to deliver the works.
- 3.10 The City Council's Trusts & Charities Committee (T & CC) manages trust properties including Highbury. The building has been operated as a wedding/conference centre by the Council's Civic Catering section.
- 3.11 The criteria for Round 3c of PSDS funding are that the Council must pay the replacement value of the boilers, at a minimum of 12% of the overall project cost, that a maximum of 58% of the costs can be spent on energy efficiency measures and that projects can be split over two years.
- 3.12 The total anticipated cost of PSDS eligible capital works cost is £1.309m. This is inclusive of the PSDS grant application value of £1.152m and match funding value of £0.157m (£157,000).
- 3.13 The expected capital cost of the proposed renewable heating (including plant equipment and installation) is based on a direct quote from an experienced equipment manufacturer and installer based on 2023 pricing. The renewable heating works represent all the overall cost of PSDS eligible works. A cost contingency plus allowance for inflation of 30% has been added to the quoted values. The energy efficiency measures will be included in the project but funded by the other funding.

- 3.14 The PSDS eligible works approval to procure will be sought in a further Cabinet report.
- 3.15 The Cabinet report for approval to procure will also recommend how grant monies will be managed in accordance with grant funding conditions. The PSDS grant is transferred to the grant funding recipient in arrears once evidence of eligible spend is submitted and approved by Salix Finance Ltd. Responsibility for grant management and cashflow management will remain with Birmingham City Council.
- 3.16 A cost benefit appraisal will be undertaken as part of seeking approval to procure to provide assurance the operational and maintenance cost will be acceptable and affordable. Any cost savings will accrue to the leasee. The operation and maintenance cost of all building plant and equipment will remain the responsibility of the Chamberlain Highbury Trust.
- 3.17 The package of works will lead to an overall carbon dioxide emission saving of 106,887kg each year, compared with re-installing gas boilers. This is largely due to the switch from gas to electricity and the lower carbon intensity of electricity from the grid vs gas.

#### **4 Options considered and Recommended Proposal**

- 4.1 Option 1 - The preferred option is to bid for PSDS funding. This will fund much needed low carbon heating for Highbury which is due for gas boiler replacement. This will support the Council's Route to Net Zero ambitions by reducing greenhouse gas emissions and improve cost resilience, by eliminating the purchase of gas and improving heating efficiency.
- 4.2 Option 2 - To not bid. The Council would fail to take advantage of the funding being offered by Salix Finance Ltd and the opportunity to support its corporate net zero priorities and reduce carbon emissions.

#### **5 Consultation**

- 5.1 Councillors for Moseley have been consulted and there has been a positive response from a ward member. See Appendix C.

#### **6 Risk Management**

- 6.1 The risk of bidding for the grant is one of reputational damage if the parallel application to the National Lottery Heritage Fund is unsuccessful. This is because the works will not progress and the grant award from Salix will need to be returned.

#### **7 Compliance Issues:**

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?
- 7.1.1 A Bold, Green Birmingham – This project will reduce carbon emissions by replacing fossil fuel boilers with low carbon heating. This supports the

Council's ambition for the city to be net zero by 2030 or as soon thereafter, given a just transition.

## 7.2 Legal Implications

7.2.1 Under Section 111 of the Local Government Act 1972, the Council may do anything calculated to facilitate or is conducive or incidental to the discharge of their functions.

7.2.2 The works are made under the general powers of competence as set out under Section 1 of the Localism Act 2011, by which the Council has the power to enter into the arrangements set out in this report.

## 7.3 Financial Implications

7.3.1 The grant funding is provided to Local Authorities to fund energy efficiency measures and low carbon heating systems in Council owned buildings.

7.3.2 The required match funding of 12% will be allocated from funds already approved for Highbury, subject to S151 approval, or from the National Lottery Heritage Fund.

7.3.3 Should the National Lottery Heritage Fund bid be unsuccessful, the acceptance of PSDS funding would be reviewed.

7.3.4 The project management costs are included within the budget for the project.

7.3.5 An appropriate allowance has been included for inflation and contingency and should costs be higher at procurement then the project would be reviewed to bring it within the cost envelope.

7.3.6 This report has been through the S151 Spend Control Board.

## 7.4 Procurement Implications (if required)

7.4.1 There are no procurement implications with the recommendations of this report. The procurement implications for the works to Highbury, for which this grant will fund part, will be subject to subsequent Cabinet reports.

## 7.5 Human Resources Implications (if required)

7.5.1 Project management is included within the budget. The Corporate Landlord will have oversight of the project.

## 7.6 Public Sector Equality Duty

7.6.1 An initial Equality Assessment (Ref: EQUA1198) was produced for the project. There were no adverse impacts or people with protected characteristics.

# 8 Appendices

- Appendix A Equality Assessment EQUA1198
- Appendix B Risk Assessment
- Appendix C Member Consultation Highbury 2

- Appendix D Environment and Sustainability Assessment

## **9 Background Documents**

None



Title of proposed EIA *	<div>Public Sector Decarbonisation Scheme Application Highbury</div> <div>Please provide the title of your policy or service area.</div>
Reference No	<div>EQUA1198</div> <div>Please do not amend. A reference number will automatically be applied once the form is saved.</div>
EA is in support of *	<div>New Service</div>
Review Frequency *	<div>Two Years</div> <div>Please select how regularly you plan to review the assessment.</div>
Date of first review *	<div>01/10/2026</div> <div>Based on the review frequency, please enter the date when your first review will take place.</div>
Directorate *	<div>Inclusive Growth</div>
Division	<div>Route to Net Zero</div>
Service Area	<div></div> <div>Please add if applicable</div>
Responsible Officer(s) *	<div>Tonia Clark x</div> <div>This is the person responsible for completing, submitting and reviewing the assessment. If you get the message 'The user does not exist or is not unique'. Please enter the full email address.</div>
Quality Control Officer(s) *	<div>Janet L Hinks x</div> <div>This is the person responsible for checking the quality of the assessment. If you get the message 'The user does not exist or is not unique'. Please enter their full email address.</div>
Accountable Officer(s) *	<div>Ellie Horwitch-Smith x</div> <div>This is the person responsible for making the final decision on the EIA and the policy, plan, procedure etc. If you get the message 'The user does not exist or is not unique'. Please enter their full email address.</div>
Purpose of proposal *	<div>This application to the Salix Public Sector Decarbonisation Scheme i</div>
Data sources	<div> <input type="checkbox"/> Survey(s)  <input type="checkbox"/> Consultation Results  <input type="checkbox"/> Interviews  <input checked="" type="checkbox"/> relevant reports/strategies  <input type="checkbox"/> Statistical Database (please specify)  <input checked="" type="checkbox"/> relevant research  <input type="checkbox"/> Other (please specify)         </div> <div>What sources of data have been used to produce the screening of this policy/proposal? (Please tick all that apply)</div>
Please include any other sources of data	<div>discussion with committee members and consultants</div>
ASSESS THE IMPACT AGAINST THE PROTECTED CHARACTERISTICS	<div></div> <div>Include how any potential negative impact be removed or mitigated.</div>
Protected characteristic: Age *	<div> <input type="checkbox"/> Service Users / Stakeholders  <input type="checkbox"/> Employees  <input type="checkbox"/> Wider Community  <input checked="" type="checkbox"/> Not Applicable         </div> <div>Please select those directly impacted or affected.</div>
Age details:	<div></div>

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

Protected characteristic: Disability \*

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Disability details:

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

Protected characteristic: Sex \*

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Gender details:

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

- ☐ Service Users/ Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Protected characteristics: Gender Reassignment \*

Gender reassignment details:

Protected characteristics: Marriage and Civil Partnership \*

Marriage and civil partnership details:

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated.

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Protected characteristics: Pregnancy and Maternity \*

Pregnancy and maternity details:

Protected characteristics: Race \*

Race details:

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

Protected characteristics: Religion or Beliefs \*

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Religion or beliefs details:

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

Protected characteristics: Sexual Orientation \*

- ☐ Service Users / Stakeholders
- ☐ Employees
- ☐ Wider Community
- ☒ Not Applicable

Please select those directly impacted or affected.

Sexual orientation details:

Socio-economic impacts

For the selected characteristics, please add further details. Describe the potential positive and negative impact of the policy or service and how any negative impacts will be mitigated. Describe who is affected, how they are affected and any additional comments.

The refurbishment of the Highbury will enable it to be used more by the public and become a resource for the local community

Please indicate any actions arising from completing this screening exercise.

none

Please indicate whether a full impact assessment is recommended

NO ▼

If yes, please continue to complete the remaining questions. If no, please go to the quality control section below.

What data has been collected to facilitate the assessment of this policy/proposal?

What are the main findings from the analysis of the data?

Consultation analysis

Who was consulted, what are the results of the consultation exercise?

Adverse impact on any people with protected characteristics.

Based on the analysis of the data does the policy/proposal have any adverse impact?

Could the policy/proposal be modified to reduce or eliminate any adverse impact?

Can the policy/proposal be modified to reduce or eliminate any adverse impact? on any particular group(s)?

How will the effect(s) of this policy/proposal on equality be monitored?

What data is required in the future?

Please describe the data needed to ensure effective monitoring of this policy/proposal?

Are there any adverse impacts on any particular group(s)

If yes, please explain your reasons for going ahead.

Initial equality impact assessment of your proposal

Please give details on any initial assessment carried out. For a full assessment please complete the rest of the form. AS OF 29/11/2018 YOU ARE NO LONGER REQUIRED TO COMPLETE THIS BOX.

Consulted People or Groups

AS OF 29/11/2018 YOU ARE NO LONGER REQUIRED TO COMPLETE THIS BOX

Informed People or Groups

AS OF 29/11/2018 YOU ARE NO LONGER REQUIRED TO COMPLETE THIS BOX

Summary and evidence of findings from your EIA \*

There will be increased use of the building for the community after the refurbishment and the application for funding for ground source heat pumps will not impact adversely on anyone with protected characteristics.

Please add any documents including any consultation or engagement findings. Attach any source data using the attachment button above. Please include how you will mitigate against any negative impacts.

QUALITY CONTORL SECTION

Submit to the Quality Control Officer for reviewing?

☒

Please tick this box and 'Save' the document once you have finished. Your nominated Quality Control Officer will by notified to review the assessment and decide whether it can proceed for approval or reject it.

Quality Control Officer comments

Please untick 'Submit to quality control officer box' before saving.

Decision by Quality Control Officer

IMPORTANT: Quality Control Officer - Please untick the above box 'Submit to the Quality Control Officer for reviewing?' before provide your decision.

Submit draft to Accountable Officer?

Quality Control Officers only - Please tick the box when you are happy for the assessment to be submitted for approval.

Decision by Accountable Officer

IMPORTANT: Accountable Officer - Please untick the above box 'Submit draft to Accountable Officer' before providing your final decision.

Date approved / rejected by the Accountable Officer

Reasons for approval or rejection

Please print and save a PDF copy for your records

Version: 14.0

Created at 02/10/2023 10:51 AM by  Tonia Clark

Last modified at 02/10/2023 10:52 AM by Workflow on behalf of  Tonia Clark

Save

Cancel



## Appendix B – Risk Assessment

Risk No	Risk description	Risk mitigation	Residual / current risk			Additional steps to be taken
			Likelihood	Impact	Prioritisation	
1.	Bid is not successful	Ensure complete bid is submitted within 10 minutes of the PSDS portal opening in October. Ensure all criteria are met.	Medium	High	Severe	
2.	Cost Inflation is higher than anticipated	Build in contingency into the budget and check prices with contractors prior to submission	Low	Medium	Material	Procurement process post award gives an opportunity to negotiate costs
3.	Match funding not available - The National Lottery Heritage Fund bid is not successful	The Highbury project will not proceed without the NLHF funding. Chamberlain Highbury Trust to seek alternative funding.	Medium	High	Severe	

### Measures of likelihood/ Impact:

Description	Likelihood Description	Impact Description
High	Almost certain, is expected to occur in most circumstances. Greater than 80% chance.	Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or reputation. Very difficult to recover from and possibly requiring a long term recovery period.
Significant	Likely, will probably occur in most circumstances. 50% - 80% chance.	Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Serious impact on output and/or quality and reputation. Medium to long term effect and expensive to recover from.
Medium	Possible, might occur at some time. 20% - 50% chance.	Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Medium term effect which may be expensive to recover from.
Low	Unlikely, but could occur at some time. Less than 20% chance.	Minor loss, delay, inconvenience or interruption. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.

### Prioritisation:

Severe	Immediate control improvement to be made to enable business goals to be met and service delivery maintained / improved
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<b>Material</b>	Close monitoring to be carried out and cost effective control improvements sought to ensure service delivery is maintained
<b>Tolerable</b>	Regular review, low cost control improvements sought if possible

Appendix C: Member consultation  
Public Sector Decarbonisation Scheme

SUBJECT	WARD	CONSULTATION	COUNCILLOR RESPONSE	RESPONSE
Highbury Hall	Moseley	Email dated 10.8.23	Cllr Izzy Knowles	
Highbury Hall	Moseley	Email dated 10.8.23	Cllr Kerry Jenkins	Dear Tonia, Totally happy to support this Regards, Kerry
For info as Cabinet Member for Digital, Culture, Heritage and Tourism	Hall Green North	Email dated 13.9.23	Cllr Saima Suleman	
For info as Leader	Glebe Farm and Tile Cross	Email dated 13.9.23	Cllr John Cotton	



## Environment and Sustainability Assessment

<b>Project Title:</b> Public Sector Decarbonisation Scheme				
<b>Department:</b> PPS	<b>Team:</b> Corporate Landlord		<b>Person Responsible for assessment:</b> Tonia Clark	
<b>Date of assessment:</b> 11/8/23		<b>Is it a new or existing proposal?:</b> New		
<b>Brief description of the proposal:</b> Application to Public Sector Decarbonisation Scheme to replace the end of life boilers in Highbury Hall with heat pumps, lighting controls and LED lights.				
<b>Potential impacts of the policy/development decision/procedure/ on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources- Impact on natural resources including water, soil, air			yes	
Energy use and CO <sub>2</sub> emissions	Yes			Old gas boilers will be replaced with renewable energy technologies which will reduce carbon emissions. Energy efficiency measures will be installed which will reduce energy use.
Impact on local green and open spaces and biodiversity			yes	There will be no change to green spaces and biodiversity
Use of sustainable products and equipment			yes	Where possible, sustainable products will be used
Minimising waste			yes	Construction waste will be minimised by recycling packaging
Council plan priority: a city that takes a leading role in tackling climate change	yes			Decarbonising these buildings is part of the Council's plan to decarbonise all of the buildings that it owns
Overall conclusion on the environmental and sustainability impacts of the proposal	This project has a positive, long term impact and once completed the energy bills and carbon emissions will be reduced. It can then be used as an example of how to decarbonise other similar buildings.			

If you require assistance in completing this assessment, then please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Full Business Case and Contract Award – Flat Roofing, Damp and Structural Works at Cofton Primary School**

### Commissioner Review

The recommendations are supported following confirmation from officers that:

- the report proposes the use of grants (school condition / basic need) and does not seek approval for the use of corporate capital.
- risks have been considered as part of the design process. A contingency sum has been set aside for both projects and has been included in the overall project costs. In order to mitigate any cost increases a fixed price contract has been agreed. Officers are therefore not expecting that these projects will have cost overruns but understand that additional approvals will be sought should this happen.





**Birmingham City Council**  
**Report to Cabinet**

**17 October 2023**



**Subject:** FULL BUSINESS CASE AND CONTRACT AWARD - FLAT ROOFING, DAMP AND STRUCTURAL WORKS AT COFTON PRIMARY SCHOOL

**Report of:** Sue Harrison, Director of Children and Families

**Relevant Cabinet Member:** Cllr Karen McCarthy - Children, Young People & Families

**Relevant O & S Chair(s):** Cllr Kerry Jenkins - Education, Children & Young People

**Report author:** Zahid Mahmood  
 Interim Head of Service  
 Education Infrastructure  
 Telephone No: 0121 464 9855  
 Email Address: [zahid.mahmood@birmingham.gov.uk](mailto:zahid.mahmood@birmingham.gov.uk)

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected.
If yes, name(s) of ward(s): Longbridge and West Heath		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011872/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential:  Exempt Appendix 3. Part C2 of the constitution Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information		

## **1 Executive Summary**

- 1.1 To seek approval for the Full Business Case and the award of a contract for Flat roofing, damp and structural works at Cofton Primary School. The project costs of the scheme will not exceed £1,289,090.

## **2 Recommendations**

That the Cabinet:

- 2.1 Approve the project costs for roofing, damp and structural works at Cofton Primary School at a total project cost of up to £1,289,090.
- 2.2 Approve the Full Business Case appended to this report.
- 2.3 Approves the award of a contract for Flat roofing, damp and structural works at Cofton Primary School to Graham Facilities Management Limited.
- 2.4 Authorises the City Solicitor and Monitoring Officer to execute and complete all necessary documents to give effect to the above recommendations.

## **3 Background**

- 3.1 The Local Authority has a statutory duty to provide pupil places, promote diversity and increase parental choice in planning and securing provision (Section 14, Education Act 1996 and Education & Inspections Act 2006). This duty extends to our landlord responsibility to maintain the Education property portfolio to prevent school closure and asset failure, thus improving safeguarding for children.
- 3.2 In its role as landlord for community schools, a local authority has a duty (section 542(2) Education Act 1996; School Premises Regulations 2012) to ensure that school buildings are safe, warm, and dry. This includes reasonable weather resistance, safe escape routes; lighting, heating and ventilation which meets the required standards.
- 3.3 Birmingham City Council, as the local authority for Birmingham, has a statutory duty to ensure sufficient school places. The City has a growing population with one of the youngest populations in Europe. The Local Authority is keen to ensure that future places are provided in the areas that they are needed; helping children to attend a school nearer to home and as part of their local community. Cofton Primary School is in the right location to support the Local Authority in meeting some of the required need for additional places. Cofton Primary School is an Ofsted "Good" rated 2FE school in the Southwest of the City with a capacity for 420 pupils. Their current PAN forecast shows a continuation in healthy pupil numbers, maintaining full capacity into 2023/24 admissions. The school has been struggling with limited space for some time, having expanded from a 1FE to a 2FE school in September 2018 due to an increase in population affecting this locality. To address the capacity of the site, the local authority added a two-classroom temporary building whilst the development of a permanent solution

was developed. Due to the Covid-19 Pandemic, this was delayed. The school now has had a considerable number of children with High Needs who are coming through from KS1 to KS2 cohorts. The KS2 Primary building is not large enough or set up to accommodate this number of children and level of need. The building has no adequate break out space to meet their additional learning needs and maintain a safe environment for teaching and supporting these pupils through key stage 2.

3.4 A separate Cabinet report is recommending a permanent extension and refurbishment of classrooms in the key stage 2 building to meet the need for additional space under Basic Need requirements. In addition to this need, the remainder of the building has widespread issues cracks in the walls, damp, mould, and extensive water ingress from a failing and poor roof structure.

3.5 For works related to this report, detailed surveys of the condition of the building, including timber and damp and structural appraisals, have determined the extent of the issues. Wooden floors are uneven and lifting in the middle. Linoleum floors are blistering and there is evidence of extensive damp salt efflorescence, blistering and paint flaking to the bases of the walls in all areas of the building. Evidence of mould infestation was also noted with high moisture readings in most areas of the building including classrooms, the hall, dining area and toilets. Urgent remedial works to rectify the issues is recommended.

3.6 Completion of these works will ensure that children and young people have safe, warm, and dry space to learn, grow and develop in while providing sufficient school places to meet the need of Birmingham children and families.

3.7 These works will provide the remedial works needed to address the roofing, structural and damp issues that the site has been suffering with for some time. This will include flat roofing works, pitched roofing works, window replacements, replacing external decayed doors, replacing floors, damp remediation works to walls, refurbishment works to toilets, boiler room works, electrical and mechanical works associated with the building work and asbestos removal.

### **3.8 Options Considered and Recommended Proposal**

3.9 Doing nothing would mean the City Council would fail to meet its statutory obligation to maintain the school and provide a safe, secure, and warm environment for the pupils at Cofton Primary School.

3.10 The recommended option is for the works to be undertaken and the contract to be awarded to enable the school to ensure that children and young people have a suitable and safe space to learn, grow and develop in so their full potential can be achieved.

## **4 Consultation**

4.1 The Head Teacher and governors of Cofton Primary School have been consulted and are fully supportive of the scheme.

- 4.2 The Ward Members for Longbridge and West Heath have been consulted in relation to the proposals via email and are supportive with the project progressing for decision.

## **5 Risk Management**

- 5.1 Risks have been considered as part of the design process. A contingency sum of £160,000 has been allocated to the project. This contingency sum has been included in the overall project costs.
- 5.2 The risk of cost overruns with the volatile construction environment of increases in materials and labour is being mitigated by a fixed price contract with robust contract management by the Council's technical advisor, Acivico Ltd.

## **6 Compliance Issues:**

### **6.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 6.1.1 These works are to ensure that all pupils are provided with a safe and secure teaching environment. The spending priorities proposed are in accordance with the [Schools' Capital Maintenance Programme 2023/24 approved by Cabinet on 16th May 2023](#), and the Council's Vision and Forward Plan priorities for Children.

### **6.2 Legal Implications**

- 6.2.1 This report facilitates the discharge of functions contained within section 22 of the School Standards and Framework Act 1998 whereby the local authority has a duty to maintain its schools; this includes expenses relating to premises.
- 6.2.2 The Local Authority has a statutory duty, by virtue of section 542 of the Education Act 1996 and the School Premises (England) Regulations 2012, to ensure that maintained school buildings are maintained to a standard such that, so far as is reasonably practicable, the health, safety and welfare of pupils are ensured.
- 6.2.3 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence in Sections 2 and 4 of the Localism Act 2011. Any and all legal powers under the Council's Constitution and Procurement and Contract Governance Rules will be upheld when contracting with and or agreeing contracts with third parties.

### **6.3 Financial Implications**

- 6.3.1 The project costs totalling up to £1,289,090 will be funded from the School's Capital Maintenance allocation. This is inclusive of £118,938.20 Acivico Ltd.'s professional fees and £37,547 of EDI capitalisation fees.

- 6.3.2 Consequential revenue costs arising, including the need for additional staffing and any on-going day-to-day repair and maintenance of the asset, will be the responsibility of Cofton Primary School and funded from the school's delegated budget.
- 6.3.3 The request for spend was cleared by the Children and Families Spend Control Board on the 20th September 2023 and is covered under the Section 151 Spend Control Board blanket approval, received on the same day.

#### **6.4 Procurement Implications (if required)**

- 6.4.1 The procurement implications for the award of a contract for Flat roofing, damp and structural works at Cofton Primary School following a further competition exercise using Acivico Ltd's Constructing West Midlands Lot 1 and 2 R&M Framework Agreement are detailed in **Appendix 2** and **Exempt Appendix 3**.

#### **6.5 Public Sector Equality Duty**

- 6.5.1 A Full Equality Analysis EQUA650 was reviewed and updated in March 2023 for Education Infrastructure's Schools' Capital Programme 2023-24. The outcomes from consultation demonstrate that the proposed capital developments support positive outcomes for children, young people, their families, and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances and supports a positive approach to Safeguarding in Birmingham: actively reducing the number of children and young people out of school helps to mitigate risk to their safety and wellbeing. This scheme falls within the umbrella of the equality analysis EQUA650 and will support a positive outcome.

#### **6.6 Environmental and Sustainability Implications**

- 6.6.1 A completed Environment and Sustainability Impact Assessment is attached as **Appendix 4**

### **7 Appendices**

- 7.1 **Appendix 1** - Cofton Primary School - Full Business Case
- 7.2 **Appendix 2** - Cofton Primary School - Procurement Methodology
- 7.3 **Appendix 3 (Exempt)** - Cofton Primary School
- 7.4 **Appendix 4** - Environment and Sustainability Impact Assessment

### **8 Background Documents**

Schools' Capital Programme - School Condition Allocation 2023-24 report to Cabinet dated 16th May 2023.



## APPENDIX 1

FULL BUSINESS CASE (FBC)			
<b>A. GENERAL INFORMATION</b>			
<b>A1. General</b>			
<b>Project Title</b> <i>(as per Voyager)</i>	<b>CONTRACT AWARD FOR COFTON PRIMARY SCHOOL – FLAT ROOFING, DAMP AND STRUCTURAL WORKS – FULL BUSINESS CASE</b>		
<b>Oracle code</b>	<b>B1-AV06H-P101-EC0-LV0013-TZZZZ-JZZZ-JXXX LV0013-507</b>		
<b>Portfolio /Committee</b>	Children Young People and Families	<b>Directorate</b>	Children and Families
<b>Approved by Project Sponsor</b>	Zahid Mahmood	<b>Approved by Finance Business Partner</b>	Clare Sandland
<b>A2. Outline Business Case approval</b> <i>(Date and approving body)</i>			
The Schools Capital Programme Report 2023-24 + Future Years Cabinet Report approved by Cabinet on 16 May 2023.			
<b>A3. Project Description</b>			
These works will provide the remedial works needed to address the roofing, structural and damp issues that the site has been suffering with for some time. This will include flat roofing works, pitched roofing works, window replacements, replacing external decayed doors, breaking up existing concrete floors and replacing with new floors, damp remediation works to walls, refurbishment works to toilets, works to the school boiler basement room, electrical and mechanical works associated with the building work and asbestos removal.			
<b>A4. Scope</b>			
This scheme involves works as described in the above project description.			
<b>A5. Scope exclusions</b>			
No works outside this scope will be undertaken			
<b>B. STRATEGIC CASE</b>			
<i>This sets out the case for change and the project's fit to the Council Plan objectives</i>			
<b>B1. Project objectives and outcomes</b>			
<i>The case for change including the contribution to Council Plan objectives and outcomes</i>			
<ul style="list-style-type: none"> <li>▪ A Bold Prosperous Birmingham</li> <li>▪ A Bold Inclusive Birmingham</li> <li>▪ A Bold Safe Birmingham</li> <li>▪ A Bold Healthy Birmingham</li> <li>▪ A Bold Green Birmingham</li> </ul>			

**B2. Project Deliverables**

*These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc*

The roofing, structural and damp works will address the long-standing issues that the site has experienced and help to bring it up to the required compliance and ensure that education continuity is not affected in the future.

**B3. Project Benefits**

*These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.*

Measure	Impact
<i>List at least one measure associated with <b>each</b> of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
To allow continuation of education operations for Cofton Primary School	Completing the roofing works, removing the damp and addressing the structural issues will minimise disruption to pupils at Cofton Primary School in the long-term, and it allows the Council to meet its statutory obligations for basic needs allocation
Support and enrich learning opportunities for children and young people.	On completion of the programme of works, pupils will have a fully functional safe, warm and dry environment before, during and after school hours.
Promoting designs which support Birmingham's Education Vision.	The roofing, damp and structural works will enhance the teaching and learning environment that are suitable for delivering education.

**B4. Benefits Realisation Plan**

*Set out here how you will ensure the planned benefits will be delivered*

The planned benefits will be delivered following completion of the roofing, structural and damp works by Acivico Ltd ensuring that Graham Facilities Management Limited as the successful contractor deliver the full programme of works to time and budget to provide a state of-the-art provision, successfully satisfying the City's drive towards net carbon zero emissions

**B5. Stakeholders**

A stakeholder analysis is set out at G4 below.

**C. ECONOMIC CASE AND OPTIONS APPRAISAL**

*This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities*

**C1. Summary of options reviewed at Outline Business Case**

*(including reasons for the preferred option which has been developed to FBC)*

*If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.*

- Doing nothing would mean the City Council would fail to meet its statutory obligation to provide sufficient places for pupils of primary school age within the south of Birmingham and the wider catchment area.
- The recommended option is to expand the existing teaching site at the Cofton Primary School and carry out the required roofing, structural and damp remedial works extension needed so that the site can provide the basic requirements of a dry and fit-for-purpose site within a highly efficient, sustainable and safe teaching and learning environment.

**C2. Evaluation of key risks and issues**

*The full risks and issues register is included at the end of this FBC*



- Risks have been considered as part of the design process and a contingency sum of £160,000 has been allocated to the project.
- Regular two weekly meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track.
- Working in a live site and ensuring Health & Safety is maintained. As the designated project manager, Acivico have many years' experiences delivering similar scaled projects of this nature and will safely co-ordinate the works in consultation with the Cofton Primary School, and EDI.
- A project risk register will be maintained.

### C3. Other impacts of the preferred option

*Describe other significant impacts, both positive and negative*

- Completion of the roofing, structural and damp works will ensure pupils are not disrupted from their education needs and the site is fit-for-purpose.

## D. COMMERCIAL CASE

*This considers whether realistic and commercial arrangements for the project can be made*

### D1. Partnership, Joint venture and accountable body working

*Describe how the project will be controlled, managed and delivered if using these arrangements*

Scheme will be delivered by Project Team as follows:

- Client for the project is Birmingham City Council.
- Project Manager services will be provided and carried out by Acivico.
- The End User will be Cofton Primary School.
- Regular 2 – 4 weekly meetings will be held with the project team, including client and the end user.
- Programme will be monitored and developed to ensure that required timescales are achieved.
- Scheme costs are to be continually assessed, developed and monitored.

### D2. Procurement implications and Contract Strategy:

*What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).*

A mini competition process was undertaken for works from the CWM R&M Framework Agreement – Lot 1 and 2 contractors in order to ensure value for money via a competitive tender process. The procurement procedure was administered by Birmingham City Council's Corporate Procurement via the Intend online procurement portal.

Please refer to Appendix 2- Procurement Methodology

### D3. Staffing and TUPE implications:

None

Capital Costs & Funding	Financial Year	Totals
	2023/24	
<b>Expenditure</b>		
Cofton Primary School		
Construction costs, incl. Surveys, Investigations, & Statutory Fees and contingency	£1,132,604	£1,132,604
Acivico Fees	£118,939	£118,939
EDSI Capitalisation	£37,547	£37,547
<b>Total Project Cost Excluding VAT</b>	£1,289,090	£1,289,090
<b>Funding sources</b>		
<b>Schools Condition Allocation (SCA)</b>	£1,289,090	£1,289,090
<b>Totals</b>	<b>£1,289,090</b>	<b>£1,289,090</b>

## E2. Evaluation and comment on financial implications:

The current costs for the project are based on costs received on the 17 February 2023 and tender report dated 29<sup>th</sup> March 2023. A validity exercise was conducted in August 2023.

## E3. Approach to optimism bias and provision of contingency

Contingency of £160,000 has been set aside and is included in the total project cost, if required.

## E4. Taxation

*Describe any tax implications and how they will be managed, including VAT*

N/A

<b>F. PROJECT MANAGEMENT CASE</b>	
<i>This considers how project delivery plans are robust and realistic</i>	
<b>F1. Key Project Milestones</b>	<b>Planned Delivery Dates</b>
<i>The summary Project Plan and milestones is attached at G1 below</i>	
Cabinet Approval	<b>October 2023</b>
Main Construction works	<b>November 2023 – April 2024</b>
Practical completion	<b>April 2024</b>
<b>F2. Achievability</b>	
<i>Describe how the project can be delivered given the organisational skills and capacity available</i>	
<ul style="list-style-type: none"> <li>• Scope of work identified as in the project description.</li> <li>• Extensive site investigation carried out.</li> <li>• Project programme and costs have been developed.</li> <li>• Funding is in place.</li> <li>• Contractors have considerable previous experience.</li> <li>• Similar projects have been delivered on budget and to time by the project team.</li> </ul>	
<b>F3. Dependencies on other projects or activities</b>	
<ul style="list-style-type: none"> <li>• Landlord Approval has been granted for the project.</li> </ul>	
<b>F4. Officer support</b>	
<b>Project Manager:</b>	Baljeet Uppal 07730 281 356 Interim Capital Programme Manager <a href="mailto:Baljeet.Uppal@birmingham.gov.uk">Baljeet.Uppal@birmingham.gov.uk</a>
<b>Project Accountant:</b>	Jaspal Madahar 07766922478 Finance & Resources Manager <a href="mailto:jaspal.madahar@birmingham.gov.uk">jaspal.madahar@birmingham.gov.uk</a>
<b>Project Sponsor:</b>	Zahid Mahmood 07860906126 Interim Head of Education Infrastructure <a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a>
<b>F5. Project Management</b>	
<i>Describe how the project will be managed, including the responsible Project Board and who its members are</i>	

<b>G. SUPPORTING INFORMATION</b>
<i>(Please adapt or replace the formats as appropriate to the project)</i>

<b>G1. PROJECT PLAN</b>
<i>Detailed Project Plan supporting the key milestones in section F1 above</i>
<ol style="list-style-type: none"> <li>1. Cabinet Report approval – October 2023</li> <li>2. Start on site – October 2023</li> <li>3. Completion – April 2024</li> </ol> <p>The project plan will be outlined by Acivico who are operating as the project manager and the chosen contractor Seddon Construction Limited prior to the works starting to minimise disruption to the school and to ensure the project is completed within the estimated completion time of 16-10-2023 to 23-04-2024 (subject to pre-contract meeting and receiving order in time to meet timescales).</p>

**G2. SUMMARY OF RISKS AND ISSUES REGISTER**

*Risks should include Optimism Bias, and risks during the development to FBC*

*Grading of severity and likelihood: High – Significant – Medium – Low*

		Risk after mitigation:	
Risk or issue	Mitigation	Severity	Likelihood
Delayed start date due to approval process	Attempts will be made to progress the Cabinet Report and FBC in time for a planned start date of August 2023 and completion date of February 2024	High	High
Building costs escalate	A fixed priced contract programme will be provided by the contractor which will be closely managed and monitored by the Project Team.	Low	Medium
Building works fall behind	A detailed construction programme will be provided by the contractor which will be closely managed and monitored by the Project Team.	Medium	Medium
BCC faced with increasing revenue costs	Consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset will be the responsibility of the school. Any increase in revenue costs will be offset by an increase in income through increased pupil numbers provided by the DfE.	Low	Low

**G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS**

*Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)*

N/A

## G4. STAKEHOLDER ANALYSIS

Stakeholder	Stake in project	Potential impact on project	What does the project expect from stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Cabinet Members for ES&C and F&R	Strategic Overview of DGCF expenditure	High	Approval of Cabinet Member report and expenditure for project.	Strategy not approved	Early Consultation and Regular Briefing on all aspects of Basic Need	BCC / EDI
EDI's Consultant Partners (Acivico)	Design and Delivery	High	To support delivery and programme management.	Unable to design to budget Unable to deliver to timescales	Close working with other stakeholders Regular feedback	BCC/EDI /Acivico
School Leadership Team / Governors	Governing Body Agreement and End Users	High	Compliance with GBA Ongoing Revenue costs for R&M once works complete	N/A	Governing Body Agreement signed and regular project meetings	School Leadership Team/Academy Trust/ Governing Body EDI Project Officer
Pupils	End user	Low	Consultation	Nil	Through school's council	School Leadership Team

**G5. BENEFITS REGISTER**

*For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)*

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with <b>each</b> of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
<b>(A) Monetised benefits:</b>	£		
<b>(B) Other quantified benefits:</b>			
<b>(C) Non-quantified benefits:</b>	n/a		

**Other Attachments**

*provide as appropriate*

- Appendix 2 - Procurement Methodology
- Appendix 3 - Exemption

**PROCUREMENT METHODOLOGY****1. Procurement Route**

- 1.1 The Council's primary procurement route for capital works of this nature is to use Acivico Ltd's Constructing West Midlands (CWM) 2 Framework Agreement as approved in the Schools' Capital Programme – School Condition Allocation, Basic Need Allocation 2023-24+ Future Years report to Cabinet dated 16<sup>th</sup> May 2023 either by undertaking a further competition exercise (this being the default route) or a direct award, subject to the complexities and timescales of each project in order to ensure that the Council's statutory duties are met.
- 1.2 This framework agreement is compliant with the Public Contracts Regulations 2015 (PCR15) and is suitable for use for a project of this nature therefore no other procurement route was considered.

**2. CWM 2 Repair and Maintenance Framework Agreement**

- 2.1 There are two lots under the framework agreement:
- Lot 1 (Building Fabric)
  - Lot 2 (Mechanical & Electrical)
- 2.2 A further competition was used for this contract to demonstrate value for money to the Council.

**3. Further Competition Assessment**

- 3.1 The protocol for the framework agreement allows an opportunity to be sent to the framework providers on both lots. This has confirmed by Acivico Ltd, lead authority for the CWM framework agreement and Sandwell Metropolitan Council who provided the procurement and legal advice. Due to the workload capacity of the Lot 2 framework providers at the time, it was decided to offer the opportunity to both Lot 1 and Lot 2 at the same time to try and ensure competition.
- 3.2 The evaluation criteria used was as follows:

## Quality Assessment

<b>QUALITY CRITERIA (30% WEIGHTING)</b>	<b>SUB-WEIGHTING</b>
Project Planning	60%
Project Delivery	30%
Risk Management and Mitigation	10%
<b>TOTAL</b>	<b>100%</b>



The price assessment accounted for 70% of the overall weighting. Tenderers were requested to tender on a fixed price basis.

#### Combined Quality and Price Assessment

The Weighted Quality Score and Price Score were added to produce an overall combined total score. The tenderer with the highest score representing the most economically advantageous submission is recommended for acceptance.

### 4. Invitation to Tender Stage

4.1 Tender documentation was issued on Wednesday, 18 January 2023 to the following with a return date of Friday, 17 February 2023:

- Lot 1 - Graham Asset Management Ltd
- Lot 1 - Wates Group
- Lot 2 - Dodd Group (Midland) Ltd
- Lot 2 - Fortem Group

4.2 Contractors were requested to formally express an interest in the opportunity and to download the 'mini competition' document for completion. Tender returns were received from Graham Facilities Management Limited only. Dodd Group Midlands Limited were unable to meet the tender deadline. Fortem Group were unable to tender due to resourcing and Wates Group did not post any response to the invitation to tender.

4.3 Questions were raised by tenderers during the tender period and these were addressed by issuing clarifications to all tenderers and requesting these were incorporated into their submission.

### 5. Evaluation Summary

5.1 The evaluation of tenders was carried out by representatives from Acivico DCFM Ltd.

5.2 Quality Evaluation (30% Weighting)

Company	Graham FM
Score (out of 100)	90.00
Weighted Score (Max 30)	30.00
<b>Rank</b>	1

There were no issues arising from the quality assessment evaluation.



### 5.3 Price Assessment (70% Weighting)

Company	Graham FM
Price	£972,603.53
Weighted Score (Max 70)	70.00
<b>Rank</b>	<b>1</b>

There were no issues arising from the price evaluation.

### 5.4 Combined Quality / Price Assessment

COMPANY	Graham FM
Quality	30.00
Price	70.00
<b>TOTAL</b>	<b>100.00</b>
<b>Rank</b>	<b>1</b>

### 5.5 Recommendation

It is recommended that the contract be awarded to Graham Facilities Management Ltd on the basis of their submission being ranked first after the quality and price evaluation.

## 6. Service Delivery Management

### 6.1 Contract Management

The contract will be managed by Acivico Ltd on behalf of the Council reporting to the Capital Projects Manager, Education Infrastructure.

### 6.2 Performance Management

Formal contract management measures will be included as a requirement of the contract including key performance indicators around service levels.



## **Environment and Sustainability Assessment**

Birmingham City Council is required to assess any positive or negative impacts that any policy/strategy/decision/development proposal is likely to have on the environment. To complete the assessment, you should consider whether that policy/development/proposal will have a positive or a negative impact on each of the key themes by selecting whether the impact of the proposal is positive, negative or has no specific impact on the themes. Please only tick one of these, by deciding what the overall impact is. The assessment must be completed for all Cabinet reports. It is the responsibility of the Service Director signing off the report to ensure that the assessment is complete. The table below is for guidance only and should not be submitted as part of the report.

<b>Theme</b>	<b>Example</b>
Natural Resources - Impact on natural resources including water, soil, air.	<p>Does the decision increase water use?</p> <p>Does the decision have an impact on air quality?</p> <p>Does the decision discourage the use of the most polluting vehicles (private and public) and promote sustainable modes of transport or working from home to reduce air pollution?</p> <p>Does the decision impact on soil?</p> <p>For example, development will typically use water for carrying out various operations and, once complete, water will be needed to service the development. Providing water to development and treating wastewater requires energy and contributes to climate change. Some of the activities including construction or disposal of waste may lead to soil pollution. The decisions may lead to more journeys thereby deteriorating air quality and thus contribution to climate change and greenhouse gases.</p>
Energy use and CO <sub>2</sub> emissions.	<p>Will the decision have an impact on energy use?</p> <p>Will the decision impact on carbon emissions?</p> <p>Most day-to-day activities use energy. The main environmental impact of producing and using energy such as electricity, gas, and fuel (unless it is from a renewable source) is the emission of carbon dioxide.</p>
Impact on local green and open spaces and biodiversity	<p>The proposal may lead to localised impacts on the local green and open spaces which may have an impact on local biodiversity, trees and other vegetation in the area.</p> <p>Will the proposal lead to loss (or creation) of green and blue infrastructure?</p>

	For example, selling an open space may reduce access to open space within an area and lead to a loss of biodiversity. However, creating a new open space would have positive effects.
Use of environmentally sustainable products, equipment and packaging'	Will the decision present opportunities to incorporate the use of environmentally sustainable products (such as compostable bags, paper straws etc.), recycled materials (i.e. Forest Stewardship Council (FSC) Timber/wood), non-polluting vehicles, avoid the use of single use plastics and packaging.
Minimising waste	Will the decision minimise waste creation and the maximise recycling during the construction and operation of the development/programme/project? Will the decision provide opportunities to improve recycling? For example, if the proposal involves the demolition of a building or a structure, could some of the construction materials be reused in the new development or recycled back into the construction industry for use on another project?
Council plan priority: a city that takes a leading role in tackling climate change and deliver Route to Zero.	How does the proposal or decision contribute to tackling and showing leadership in tackling climate change and deliver Route to Zero aspirations?

<b>Project Title:</b> Cofton Primary School – Flat roof, damp and structural works.				
<b>Department:</b> Children & Families	<b>Team:</b> Education Infrastructure		<b>Person Responsible for assessment:</b> Glenn Jones	
<b>Date of assessment:</b> 16/08/2023		<b>Is it a new or existing proposal?</b> Existing		
<b>Brief description of the proposal:</b> Strip off and recover flat roofs, pitched roofing works, window replacements, drainage improvements, classroom and hall floor replacements, asbestos removal works, works to boiler room, replacement of school yard external doors, electrical and mechanical works.				
<b>Potential impacts of the policy/development decision/procedure/ on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources- Impact on natural resources including water, soil, air	✓			The use of improved thermal insulation to new windows and doors will reduce energy consumption and CO2 emissions, this will help improve the air quality and reduce pollution.
Energy use and CO <sub>2</sub> emissions	✓			Flat roofs will receive new insulation, which will improve the thermal efficiency of the building and help reduce energy consumption. The new windows to be installed will also have e-therm glazing which will also conserve heat and reduce heating costs and reduce energy needs.
Impact on local green and open spaces and biodiversity			✓	
Use of sustainable products and equipment	✓			Window frames will be made from aluminium and can be recycled at the end of there life, so to can the glass.
Minimising waste	✓			Materials to be used will be accurately estimated to avoid over ordering and avoid wastage. Any waste will be segregated into separate skips to ensure any recycled materials are separated and minimise waste to landfill.
Council plan priority: a city that takes a leading role in tackling climate change	✓			Within Acivico sustainability is considered at every stage of the design process, during construction and minimising energy consumption during the life of the building, this will

				assist the council achieve its ambition of net zero.
Overall conclusion on the environmental and sustainability impacts of the proposal	The project is major repair and maintenance work to an existing school and while it is acknowledged that there is less scope to include sustainability measures within the project compared to a new build, it is still important to recognise during every step of the process sustainability and reducing environmental impacts including methods of reducing energy consumption, reducing waste and ensuring sustainable materials are used where they can be, a positive impact to the council can still be realised.			

If you require assistance in completing this assessment, then please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)

# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Full Business Case and Contract Award –  
Refurbishment and Extension Works at Cofton  
Primary School**

### Commissioner Review

The recommendations are supported following confirmation from officers that:

- the report proposes the use of grants (school condition / basic need) and does not seek approval for the use of corporate capital.
- Risks have been considered as part of the design process. A contingency sum has been set aside for both projects and has been included in the overall project costs. In order to mitigate any cost increases a fixed price contract has been agreed. Officers are therefore not expecting that these projects will have cost overruns but understand that additional approvals will be sought should this happen.





**Birmingham City Council**  
**Report to Cabinet**

**17 October 2023**



**Subject:** **FULL BUSINESS CASE AND CONTRACT AWARD –  
REFURBISHMENT AND EXTENSION WORKS AT  
COFTON PRIMARY SCHOOL.**

**Report of:** **Sue Harrison, Director of Children and Families**

**Relevant Cabinet Member:** **Cllr Karen McCarthy - Children, Young People & Families**

**Relevant O &S Chair(s):** **Cllr Kerry Jenkins - Education, Children & Young People**

**Report author:** **Zahid Mahmood**  
**Interim Head of Service**  
**Education Infrastructure**  
**Telephone No: 0121 464 9855**  
**Email Address: [zahid.mahmood@birmingham.gov.uk](mailto:zahid.mahmood@birmingham.gov.uk)**

Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Longbridge and West Heath		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011873/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Exempt Appendix 3. Part C2 of the Constitution Paragraph 3: Information relating to the financial or business affairs of any particular person (including the authority holding that information)		

## **1 Executive Summary**

- 1.1 To seek approval for the capital scheme and award of a contract for the installation of a modular building on a temporary basis and the associated enabling works and the extension and refurbishment works to the existing building at Cofton Primary School. The project costs of the scheme will not exceed £1,897,272.

## **2 Recommendations**

That Cabinet:

- 2.1 Approve the project costs for the installation of a modular building on a temporary basis and the associated enabling works and the extension and refurbishment works to the existing building at Cofton Primary School at a total project cost of up to £1,897,272.
- 2.2 Approve the Full Business Case appended to this report.
- 2.3 Notes that a Pre-Construction Services Agreement (PCSA) was entered into with Seddon for the initial design stage to be completed for the estimated value of up to £42,500 and approved under Chief Officer delegated authority to enable the works to meet the deadline for the completion of the works.
- 2.4 Delegates authority to the Director of Children and Families in conjunction with the Assistant Director, Procurement, the Interim Director of Finance (Section 151 Officer) and the City Solicitor & Monitoring Officer (or their delegates) to award a contract for the Works after completion of the PCSA stage, subject to the value being within the approved budget.
- 2.5 Authorises the City Solicitor and Monitoring Officer to execute and complete all necessary documents to give effect to the above recommendations.

## **3 Background**

- 3.1 The Local Authority has a statutory duty to ensure there are sufficient pupil places, secure diversity in the provision of schools and increase opportunities for parental choice through planning and securing additional provision (Section 14, Education Act 1996).
- 3.2 The Council has a statutory duty to ensure sufficient school places. The city has a growing population with one of the youngest populations in Europe. The Local Authority is keen to ensure that future places are provided in the areas that they are needed; helping children to attend a school nearer to home and as part of their local community. Cofton Primary School is in the right location to support the Local Authority in meeting some of the required need for additional places. Cofton Primary School is an Ofsted “Good” rated 2 form entry (2FE) school in the south west of the city with a capacity for 420 pupils. Their current Planned Admission Number (PAN) forecast shows a continuation in healthy pupil numbers, maintaining full capacity into 2023/24 admissions. The school has

been struggling with limited space for some time, having expanded from a 1FE to a 2FE school in September 2018 due to an increase in population in this locality. To address the capacity of the site, a two-classroom temporary building has been put in place funded by the Council whilst the development of a permanent solution was developed. Due to the Covid-19 pandemic, the development of the permanent solution was delayed. The school now has had a considerable number of children with High Needs who are coming through from KS1 to KS2 cohorts. The KS2 Primary building is not large enough or set up to accommodate this number of children and level of need. The building has no adequate break out space to meet their additional learning needs and maintain a safe environment for teaching and supporting these pupils through key stage 2. The building itself has considerable issues cracks in the walls, damp, and leaks through the ceiling.

- 3.3 There is a requirement for works to the school to meet its needs. The works are for the construction of a single-story extension to the KS2 Teaching Block with internal refurbishment to provide a much better, safer space and adequate teaching environment to meet the high needs of the cohort of children now coming through KS2. In addition, a modular block is required on a temporary basis to provide additional space as an interim supportive measure whilst the KS2 teaching block is being developed.
- 3.4 The proposed works will ensure that children and young people have safe, warm and dry space to learn, grow and develop in while providing sufficient school places to meet the need of Birmingham's children and families.
- 3.5 There is modular classroom block under ownership of the Council, Education Infrastructure and currently located at the old Skilts School site. It is proposed that this existing building will be relocated from its current location to Cofton Primary School for the temporary provision.
- 3.6 The Planning Application for the modular building for a three-year period was approved on 14 November 2022. Subject to Full Business Case (FBC) (**Appendix 1**) and Statutory Approvals the main works are due to commence on 23 October 2023 with a proposed completion of 9 April 2024.

#### **4 Options Considered and Recommended Proposal**

- 4.1 Doing nothing would mean the City Council would fail to meet its statutory obligation to maintain the school and provide a safe, secure, and warm environment for the pupils at Cofton Primary School.
- 4.2 The recommended option is for the works to be undertaken and the contract to be awarded to enable the school to ensure that children and young people have a suitable and safe space to learn, grow and develop in so their full potential can be achieved.

## **5 Consultation**

- 5.1 The Head Teacher and governors of Cofton Primary School have been consulted and are fully supportive of the scheme.
- 5.2 The Ward Members for Longbridge and West Heath have been consulted in relation to the proposals via email and are supportive with the project progressing for decision.

## **6 Risk Management**

- 6.1 Risks have been considered as part of the design process. A contingency sum of £177,789 has been allocated to the project. This contingency sum has been included in the overall project costs.
- 6.2 The risk of cost overruns with the volatile construction environment of increases in materials and labour is being mitigated by a fixed price contract with robust contract management by the Council's technical advisor, Acivico Ltd.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 These works are to ensure that all pupils are provided with a safe and secure teaching environment. The spending priorities proposed are in accordance with the [Schools' Capital Maintenance Programme 2023/24 approved by Cabinet on 16th May 2023](#), and the Council's Vision and Forward Plan priorities for Children.

### **7.2 Legal Implications**

- 7.2.1 This report facilitates the discharge of functions contained within section 22 of the School Standards and Framework Act 1998 whereby the local authority has a duty to maintain its schools; this includes expenses relating to premises.
- 7.2.2 The Local Authority has a statutory duty, by virtue of section 542 of the Education Act 1996 and the School Premises (England) Regulations 2012, to ensure that maintained school buildings are maintained to a standard such that, so far as is reasonably practicable, the health, safety and welfare of pupils are ensured.
- 7.2.3 Under Section 1 of the Localism Act 2011, the Council has the power to enter into the arrangements set out in this report, which are within the remit and limits of the general power of competence in Sections 2 and 4 of the Localism Act 2011. Any and all legal powers under the Council's Constitution and Procurement and Contract Governance Rules will be upheld when contracting with and or agreeing contracts with third parties.

### **7.3 Financial Implications**

- 7.3.1 The project costs totalling up to £1,897,272 will be funded from the School's Basic Need allocation. This is inclusive of £99,035 Acivico Ltd.'s professional fees and £55,260 of EDI capitalisation fees.
- 7.3.2 Consequential revenue costs arising, including the need for additional staffing and any on-going day-to-day repair and maintenance of the asset, will be the responsibility of Cofton Primary School and funded from the school's delegated budget.
- 7.3.3 The request for spend was cleared by the Children and Families Spend Control Board on the 20<sup>th</sup> September 2023 and is covered under the Section 151 Spend Control Board blanket approval, received on the same day.

### **7.4 Procurement Implications (if required)**

- 7.4.1 The procurement implications for the award of a contract for refurbishment and the installation and enabling works of a modular building for Cofton Primary School following a further competition exercise using Acivico Ltd's Constructing West Midlands Capital Works Lot 1 Framework Agreement are detailed in **Appendix 2** and **Exempt Appendix 3**.

### **7.5 Public Sector Equality Duty**

- 7.5.1 A Full Equality Analysis EQUA650 was reviewed and updated in March 2023 for Education Infrastructure's Schools' Capital Programme 2023-24. The outcomes from consultation demonstrate that the proposed capital developments support positive outcomes for children, young people, their families, and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances and supports a positive approach to Safeguarding in Birmingham: actively reducing the number of children and young people out of school helps to mitigate risk to their safety and wellbeing. This scheme falls within the umbrella of the equality analysis EQUA650 and will support a positive outcome.

### **7.6 Environmental and Sustainability Implications**

- 7.6.1 A completed Environment and Sustainability Impact Assessment is attached as **Appendix 4**

## **8 Appendices**

- 8.1 **Appendix 1** - Cofton Primary School - Full Business Case
- 8.2 **Appendix 2** - Cofton Primary School - Procurement Methodology
- 8.3 **Appendix 3 (Exempt)** - Cofton Primary School

8.4 **Appendix 4 - Environment and Sustainability Impact Assessment**

**9 Background Documents**

- 9.1 Schools' Capital Programme – Basic Need 2023-24 report to Cabinet dated 16th May 2023.

## APPENDIX 1

FULL BUSINESS CASE (FBC)			
<b>A. GENERAL INFORMATION</b>			
<b>A1. General</b>			
<b>Project Title</b> <i>(as per Voyager)</i>	<b>CONTRACT AWARD FOR COFTON PRIMARY SCHOOL – REFURBISHMENT AND THE INSTALLATION AND ENABLING WORKS OF A MODULAR BUILDING. – FULL BUSINESS CASE</b>		
<b>Oracle code</b>	B1-AV06H-P101-EC0-LV0010-TZZZZ-JZZZ-JXXX LV0010-042		
<b>Portfolio /Committee</b>	Children Young People and Families	<b>Directorate</b>	Children and Families
<b>Approved by Project Sponsor</b>	Jaswinder Didially	<b>Approved by Finance Business Partner</b>	Clare Sandland
<b>A2. Outline Business Case approval (Date and approving body)</b>			
Schools Capital Programme – School Condition Allocation, Basic Need Allocation 2023-24+ Future Years Cabinet Report.			
<b>A3. Project Description</b>			
These works are for the installation of a modular building on a temporary basis and the associated enabling works and the extension and refurbishment works. The modular classroom block is already under ownership by Birmingham City Council, Education Infrastructure and currently located at the old Skilts School.			
<b>A4. Scope</b>			
This scheme involves works as described in the above project description			
<b>A5. Scope exclusions</b>			
No works outside this scope will be undertaken			
<b>B. STRATEGIC CASE</b>			
<i>This sets out the case for change and the project's fit to the Council Plan objectives</i>			
<b>B1. Project objectives and outcomes</b>			
<i>The case for change including the contribution to Council Plan objectives and outcomes</i>			
<ul style="list-style-type: none"> <li>▪ A Bold Prosperous Birmingham</li> <li>▪ A Bold Inclusive Birmingham</li> <li>▪ A Bold Safe Birmingham</li> <li>▪ A Bold Healthy Birmingham</li> <li>▪ A Bold Green Birmingham</li> </ul> <p>The refurbishment and the installation and enabling works of a modular building at Cofton Primary School, meets the Council Plan objectives by ensuring that children and young people have a suitable and safe space to learn, grow and develop in so their full potential can be achieved.</p>			
<b>B2. Project Deliverables</b>			
<i>These are the outputs from the project e.g. a new building with xm2 of internal space, xm of new road, etc</i>			
The new extension and temporary modular block will provide teaching and ancillary space to accommodate the additional intake of pupils providing 350m2 of space.			
<b>B3. Project Benefits</b>			
<i>These are the social benefits and outcomes from the project, e.g. additional school places or economic benefits.</i>			
<b>Measure</b>		<b>Impact</b>	

## APPENDIX 1

<i>List at least one measure associated with <b>each</b> of the objectives and outcomes in B1 above</i>	<i>What the estimated impact of the project will be on the measure identified – please quantify where practicable (e.g. for economic and transportation benefits)</i>
To allow continuation of education operations for Cofton Primary School	Completing the extension works provide suitable space for learning and development to pupils at Cofton Primary School and it allows the Council to meet its statutory obligations for basic need allocation.
Support and enrich learning opportunities for children and young people.	On completion of the programme of works, pupils will have a fully functional safe, warm and dry environment before, during and after school hours.
Promoting designs which support Birmingham's Education Vision.	The extension and temporary modular works will enhance the teaching and learning environment that are suitable for delivering education.
<b>B4. Benefits Realisation Plan</b>	
<i>Set out here how you will ensure the planned benefits will be delivered</i>	
The planned benefits will be delivered following the construction of a single-storey extension to a school building and the installation of a modular block on a temporary basis by delivering the programme of works to time and budget to provide a modern, efficient learning environment.	
<b>B5. Stakeholders</b>	
A stakeholder analysis is set out at G4 below.	
<b>C. ECONOMIC CASE AND OPTIONS APPRAISAL</b>	
<i>This sets out the options that have been considered to determine the best value for money in achieving the Council's priorities</i>	
<b>C1. Summary of options reviewed at Outline Business Case</b>	
<i>(including reasons for the preferred option which has been developed to FBC) If options have been further developed since the OBC, provide the updated Price quality matrix and recommended option with reasons.</i>	
<ul style="list-style-type: none"> <li>Doing nothing would mean the City Council would fail to meet its statutory obligation to provide sufficient places for pupils of primary school age within the south of Birmingham and the wider catchment area.</li> <li>The recommended option is to expand the existing teaching site at the Cofton Primary School and carry out the extension and lift and shift works needed so that the site can support the required increased in pupil numbers within a highly efficient, sustainable and safe teaching and learning environment.</li> </ul>	
<b>C2. Evaluation of key risks and issues</b>	
<i>The full risks and issues register is included at the end of this FBC</i>	
<ul style="list-style-type: none"> <li>Risks have been considered as part of the design process and a contingency sum of £177,789 has been allocated to the project.</li> <li>Regular two weekly meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track.</li> <li>Working in a live site and ensuring Health &amp; Safety is maintained. As the designated project manager, Acivico have many years' experiences delivering large scale refurbishment projects of this nature and will safely co-ordinate the works in consultation with the Cofton Primary School, and EDI.</li> <li>A project risk register will be maintained.</li> </ul>	
<b>C3. Other impacts of the preferred option</b>	
<i>Describe other significant impacts, both positive and negative</i>	
<ul style="list-style-type: none"> <li>Completion of the installation of a modular building on a temporary basis and the associated enabling works and the extension and refurbishment works will ensure pupils are not disrupted from their education needs and that the additional increase in pupil numbers is sufficiently catered for.</li> </ul>	



**D. COMMERCIAL CASE**

*This considers whether realistic and commercial arrangements for the project can be made*

**D1. Partnership, Joint venture and accountable body working.**

*Describe how the project will be controlled, managed and delivered if using these arrangements*

Scheme will be delivered as follows:

- Client for the project is Birmingham City Council.
- Project Management services will be provided and carried out by Acivico Ltd.
- The end user is Cofton Primary School.
- Regular 2 – 4 weekly meetings will be held with the project team, including client and the end user.
- Programme will be monitored and developed to ensure that required timescales are achieved.
- Scheme costs are to be continually assessed, developed and monitored.

**D2. Procurement implications and Contract Strategy:**

*What is the proposed procurement contract strategy and route? Which Framework, or OJEU? This should generally discharge the requirement to approve a Contract Strategy (with a recommendation in the report).*

The procurement route is to carry out a further competition exercise using the Constructing West Midlands 2 Capital Works Framework Agreement.

**D3. Staffing and TUPE implications:**

None

## APPENDIX 1

Capital Costs & Funding	Financial Year	Totals
	2023/24	
<b>Expenditure</b>		
Cofton Primary School		
Construction costs, incl. Surveys, Investigations, & Statutory Fees and contingency	£1,742,977	£1,742,977
Acivico Fees	£99,035	£99,035
EDSI Capitalisation	£55,260	£55,260
<b>Total Project Cost Excluding VAT</b>	£1,897,272	£1,897,272
<b>Funding sources</b>		
<b>Basic Need Allocation (BN)</b>	£1,897,272	£1,897,272
<b>Totals</b>	<b>£1,897,272</b>	<b>£1,897,272</b>

### E2. Evaluation and comment on financial implications:

The current costs for the project are based on the tender report dated 14<sup>th</sup> March 2023. Acivico has completed a validity exercise on pricing in August 2023.

### E3. Approach to optimism bias and provision of contingency

Contingency of £177,789 has been set aside and is included in the total project budget, if required.

### E4. Taxation

*Describe any tax implications and how they will be managed, including VAT*

N/A

**F. PROJECT MANAGEMENT CASE**

*This considers how project delivery plans are robust and realistic*

**F1. Key Project Milestones**

*The summary Project Plan and milestones is attached at G1 below*

	<b>Planned Delivery Dates</b>
Cabinet Approval	<b>October 2023</b>
Main Construction works	<b>November 2023 – April 2024</b>
Practical completion	<b>April 2024</b>

**F2. Achievability**

*Describe how the project can be delivered given the organisational skills and capacity available*

- Scope of work identified as in the project description.
- Extensive site investigation carried out.
- Project programme and costs have been developed.
- Funding is in place.
- Contractor has considerable previous experience.
- Similar projects have been delivered on budget and to time by the project team.

**F3. Dependencies on other projects or activities**

- Landlord Approval has been granted for the project.

**F4. Officer support**

<b>Project Manager:</b>	Baljeet Uppal	Interim Capital Programme Manager
	07730 281 356	<a href="mailto:Baljeet.Uppal@birmingham.gov.uk">Baljeet.Uppal@birmingham.gov.uk</a>
<b>Project Accountant:</b>	Jaspal Madahar	Finance & Resources Manager
	07766922478	<a href="mailto:jaspal.madahar@birmingham.gov.uk">jaspal.madahar@birmingham.gov.uk</a>
<b>Project Sponsor:</b>	Zahid Mahmood	Interim Head of Service, Education Infrastructure
	07860906126	<a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a>

**F5. Project Management**

*Describe how the project will be managed, including the responsible Project Board and who its members are*

See D1

**G. SUPPORTING INFORMATION**

*(Please adapt or replace the formats as appropriate to the project)*

**G1. PROJECT PLAN**

*Detailed Project Plan supporting the key milestones in section F1 above*

1. Cabinet Approval – October 2023
2. Start on site – November 2023
3. Completion – April 2024

**G2. SUMMARY OF RISKS AND ISSUES REGISTER**

*Risks should include Optimism Bias, and risks during the development to FBC*

*Grading of severity and likelihood: High – Significant – Medium – Low*

		Risk after mitigation:	
Risk or issue	Mitigation	Severity	Likelihood
Delayed start date due to approval process	Cabinet Report approval in October in time for a planned start date of November 2023 and completion date of April 2024	High	High
Building costs escalate	A fixed priced contract programme will be provided by the contractor which will be closely managed and monitored by the Project Team.	Low	Medium
Building works fall behind	A detailed construction programme will be provided by the contractor which will be closely managed and monitored by the Project Team.	Medium	Medium
BCC faced with increasing revenue costs	Consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset will be the responsibility of the school. Any increase in revenue costs will be offset by an increase in income through increased pupil numbers provided by the DfE.	Low	Low

**G3. EXTERNAL FUNDING AND OTHER FINANCIAL DETAILS**

*Description of external funding arrangements and conditions, and other financial details supporting the financial implications in section E1 above (if appropriate)*

N/A

#### G4. STAKEHOLDER ANALYSIS

Stakeholder	Stake in project	Potential impact on project	What does the project expect from stakeholder	Perceived attitudes and/or risks	Stakeholder management strategy	Responsibility
Cabinet Members for ES&C and F&R	Strategic Overview of DGCF expenditure	High	Approval of Cabinet Member report and expenditure for project.	Strategy not approved	Early Consultation and Regular Briefing on all aspects of Basic Need	BCC / EDI
EDI's Consultant Partners (Acivico)	Design and Delivery	High	To support delivery and programme management.	Unable to design to budget Unable to deliver to timescales	Close working with other stakeholders Regular feedback	BCC/EDI /Acivico
School Leadership Team / Governors	Governing Body Agreement and End Users	High	Compliance with GBA Ongoing Revenue costs for R&M once works complete	N/A	Governing Body Agreement signed and regular project meetings	School Leadership Team/Academy Trust/ Governing Body EDI Project Officer
Pupils	End user	Low	Consultation	Nil	Through school's council	School Leadership Team

**G5. BENEFITS REGISTER**

*For major projects and programmes over £20m, this sets out in more detail the planned benefits. Benefits should be monetised where it is proportionate and possible to do so, to support the calculation of a BCR and NPSV (please adapt this template as appropriate)*

Measure	Annual value	Start date	Impact
<i>List at least one measure associated with <b>each</b> of the outcomes in B1 above</i>			<i>What the estimated impact of the project will be on the measure identified</i>
<b>(A) Monetised benefits:</b>	£		
<b>(B) Other quantified benefits:</b>			
<b>(C) Non-quantified benefits:</b>	n/a		

**Other Attachments**

*provide as appropriate*

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**PROCUREMENT METHODOLOGY****1. Procurement Route**

- 1.1 The Council's primary procurement route for capital works of this nature is to use Acivico Ltd's Constructing West Midlands 2 (CWM) Capital Works Framework Agreement as approved in the Schools' Capital Programme – School Condition Allocation, Basic Need Allocation 2023-24+ Future Years report to Cabinet dated 16<sup>th</sup> May 2023 either by undertaking a further competition exercise (this being the default route) or a direct award, subject to the complexities and timescales of each project in order to ensure that the Council's statutory duties are met.

**2. CWM Capital Works Framework Agreement**

- 2.1 There are two lots under the framework agreement:
- Lot 1 (Capital Works for projects between £250,000 up to £5m)
  - Lot 2 (Capital Works for project over £5m)
- 2.2 As the estimated value of this project was under £5m, Lot 1 was used for the procurement.
- 2.3 A further competition was used for this contract to demonstrate value for money to the Council.

**3. Procurement Approach**

- 3.1 A two-stage procurement process has been undertaken detailed as follows:
- the first stage is competitive, with the successful tenderer being selected on the basis of their ability and understanding of the project for the works, together with the pricing of those elements of the works which are normally under the control of the main contractor, e.g. preliminaries, overheads & profit, programme period, cost of rates for identifiable sections of work. This is documented in a Pre-Construction Services Agreement (PCSA) that has been approved in accordance with paragraph 2.3 of the Cabinet report.
  - During the second stage, the Council's advisory team develops and completes the design in conjunction with the successful tenderer. The successful tenderer undertakes a compliant procurement process for the various work packages that are reviewed by the Council's technical cost control advisor to ensure that prices are reflective of current market conditions, are within budget and deliver Best Value. Once the overall tender price is confirmed for the Phase 1 works, the Council will enter into the main works contract subject to authorisation as per recommendation 2.4.

#### 4. Further Competition Assessment

4.1 The evaluation criteria used was as follows:

##### Quality Assessment

QUALITY CRITERIA (40% WEIGHTING)	SUB-WEIGHTING
Key Contract Personnel	30%
Programme and Delivery	40%
Works Methodology	30%
<b>TOTAL</b>	<b>100%</b>

##### Price Assessment:

The price assessment accounted for 60% of the overall weighting. Bidders were provided with a forecast net build cost of £950,000 as per the stage 3 cost estimate and were invited to tender their pre-construction costs, supplemental services costs, preliminary costs, design fees and over heads and profit. The tenderer with the lowest total cost overall was given 100% of the score. Other price scores were expressed as a proportion of the highest score.

##### Combined Quality and Price Assessment

The Weighted Quality Score and Price Score were added to produce an overall combined total score. The tenderer with the highest score representing the most economically advantageous submission is recommended for acceptance.

#### 5. Invitation to Tender Stage

5.1 Tender documentation was issued on 22<sup>nd</sup> December 2022 to the following with a return date of 13<sup>th</sup> January 2023:

- Lot 1 - Interclass Plc
- Lot 1 - GF Tomlinson Ltd
- Lot 1 - Seddon Construction Limited
- Lot 1 - Speller Metcalfe Limited

5.2 Questions were raised by tenderers during the tender period and these were addressed by issuing clarifications to all tenderers and requesting these were incorporated into their submission.

5.3 Following requests from the tenderers for an extension to allow more time to consider the clarification answers in their response, the tender return deadline was extended to 27<sup>th</sup> January 2023.



- 5.4 Responses were received from Interclass Plc, Seddon Construction Limited and Speller Metcalfe Limited. GF Tomlinson Ltd declined to tender stating resourcing and workload capacity issues at the time of tendering.

## 6. Evaluation Summary

- 6.1 The evaluation of tenders was carried out by representatives from Acivico DCFM Ltd.

- 6.2 Quality Evaluation (40% Weighting)

Company	Interclass Plc	Seddon	Speller Metcalfe
<b>QUALITY</b>			
Score (out of 100)	80.00	80.00	54.00
Weighted Score (Max 40)	40.00	40.00	27.00
<b>Rank</b>	1	1	2

A threshold for quality for tenderers to achieve was not set for this procurement process. There were no issues arising from the quality assessment evaluation.

- 6.3 Price Assessment (60% Weighting)

Company	Interclass Plc	Seddon	Speller Metcalfe
<b>PRICE</b>			
Weighted Score (Max 60)	54.45	60.00	58.92
<b>Rank</b>	3	1	2

The evaluation of pricing highlighted technical errors with all of the submissions. This was due to ambiguity and inconsistencies with the pricing schedule and clarifications prepared by Acivico DCFM Limited. This resulted in the inability to compare the submissions on a like-for-like basis. To mitigate and enable a fair and transparent evaluation, in conjunction with Corporate Procurement, an amended pricing schedule was drafted and re-issued to the tenderers with coherent instructions for completion. Responses were received from all three framework providers that complied with the instructions. The final prices are in Exempt Appendix 3.

- 6.4 Combined Quality / Price Assessment

Company	Interclass Plc	Seddon	Speller Metcalfe
<b>OVERALL SUMMARY</b>			
Quality	40.00	40.00	27.00
Price	54.45	60.00	55.22

<b>TOTAL</b>	94.45	100.00	82.22
<b>RANK</b>	<b>2</b>	<b>1</b>	<b>3</b>

## 6.5 Recommendation

It is recommended that the contract be awarded to Seddon Construction Limited on the basis of their submission being ranked first after the quality and price evaluation.

## 7. Service Delivery Management

### 6.1 Contract Management

The contract will be managed by Acivico Ltd on behalf of the Council reporting to the Capital Projects Manager, Education Infrastructure.

### 6.2 Performance Management

Formal contract management measures will be included as a requirement of the contract including key performance indicators around service levels.

## **Environment and Sustainability Assessment**

Birmingham City Council is required to assess any positive or negative impacts that any policy/strategy/decision/development proposal is likely to have on the environment. To complete the assessment, you should consider whether that policy/development/proposal will have a positive or a negative impact on each of the key themes by selecting whether the impact of the proposal is positive, negative or has no specific impact on the themes. Please only tick one of these, by deciding what the overall impact is. The assessment must be completed for all Cabinet reports. It is the responsibility of the Service Director signing off the report to ensure that the assessment is complete. The table below is for guidance only and should not be submitted as part of the report.

<b>Theme</b>	<b>Example</b>
Natural Resources - Impact on natural resources including water, soil, air.	<p>Does the decision increase water use?</p> <p>Does the decision have an impact on air quality?</p> <p>Does the decision discourage the use of the most polluting vehicles (private and public) and promote sustainable modes of transport or working from home to reduce air pollution?</p> <p>Does the decision impact on soil?</p> <p>For example, development will typically use water for carrying out various operations and, once complete, water will be needed to service the development. Providing water to development and treating wastewater requires energy and contributes to climate change. Some of the activities including construction or disposal of waste may lead to soil pollution. The decisions may lead to more journeys thereby deteriorating air quality and thus contribution to climate change and greenhouse gases.</p>
Energy use and CO <sub>2</sub> emissions.	<p>Will the decision have an impact on energy use?</p> <p>Will the decision impact on carbon emissions?</p> <p>Most day-to-day activities use energy. The main environmental impact of producing and using energy such as electricity, gas, and fuel (unless it is from a renewable source) is the emission of carbon dioxide.</p>
Impact on local green and open spaces and biodiversity	<p>The proposal may lead to localised impacts on the local green and open spaces which may have an impact on local biodiversity, trees and other vegetation in the area.</p> <p>Will the proposal lead to loss (or creation) of green and blue infrastructure?</p>

	For example, selling an open space may reduce access to open space within an area and lead to a loss of biodiversity. However, creating a new open space would have positive effects.
Use of environmentally sustainable products, equipment and packaging'	Will the decision present opportunities to incorporate the use of environmentally sustainable products (such as compostable bags, paper straws etc.), recycled materials (i.e. Forest Stewardship Council (FSC) Timber/wood), non-polluting vehicles, avoid the use of single use plastics and packaging.
Minimising waste	Will the decision minimise waste creation and the maximise recycling during the construction and operation of the development/programme/project? Will the decision provide opportunities to improve recycling? For example, if the proposal involves the demolition of a building or a structure, could some of the construction materials be reused in the new development or recycled back into the construction industry for use on another project?
Council plan priority: a city that takes a leading role in tackling climate change and deliver Route to Zero.	How does the proposal or decision contribute to tackling and showing leadership in tackling climate change and deliver Route to Zero aspirations?

<b>Project Title: Cofton Primary School Lift &amp; Shift + Extension to KS 2 Teaching Block</b>				
<b>Department: Children &amp; Families</b>	<b>Team: Education Infrastructure</b>			<b>Person Responsible for assessment:</b>
<b>Date of assessment:</b>		<b>Is it a new or existing proposal? New Proposal</b>		
<b>Brief description of the proposal:</b> Installation and refurbishment of temporary modular unit (relocated from previous Skilts School site) at Cofton Primary School and new build single storey extension (area approx.207.5m2) and refurbishment to existing school building to provide 2 No. additional classrooms, toilets and ancillary accommodation.				
<b>Potential impacts of the policy/development decision/procedure/ on:</b>	<b>Positive Impact</b>	<b>Negative Impact</b>	<b>No Specific Impact</b>	<b>What will the impact be? If the impact is negative, how can it be mitigated, what action will be taken?</b>
Natural Resources- Impact on natural resources including water, soil, air			N/A	Neutral impact – no significant change of use or demolition; remaining as Education Buildings. Increase to demand minimal
Energy use and CO <sub>2</sub> emissions	✓			Improved; elemental external insulation, robust details, and air tightness values where practical will be brought up to current building regulations standards. Similarly, source services equipment will be evaluated and where required upgraded to current performance standards. Solar panels are not included due to the size and nature of the extension. The existing heating system is to be extended into the new extension. There are no plans to upgrade or change the existing heating system.
Impact on local green and open spaces and biodiversity			N/A	There is a minimal reduction or negative impact to local green spaces in the proposals

Use of sustainable products and equipment	✓			Existing structures are retained and within the design for the new extension consideration has been given to using environmentally sustainable products and systems that provide both longevity and recyclability.
Minimising waste	✓			Reuse of currently redundant modular unit from another education site removes the need for temporary hire of unit from modular company and brings the existing unit, currently empty and subject to ongoing deterioration, back into use. Whilst there will be some waste generated by the development, the design of the new extension has been considered to minimise off site waste generated and to maximise recycling and use of sustainable products.
Council plan priority: a city that takes a leading role in tackling climate change	✓			The plans directly improve the local area and city climate change contribution, by extending the useful life expectancy of the site and where possible reducing their ongoing demand for energy and carbon emissions, and without adversely introducing significant negative impacts during the construction process.
Overall conclusion on the environmental and sustainability impacts of the proposal	By selecting materials with improved life expectancy and improved recyclability, the sustainability of the site will be improved, and by significantly improving insulation, air tightness and heating and ventilation system performance through targeted upgrade with more efficient and lower energy consumption units, there will be a reduction in the demand on natural resources and carbon emissions associated with the extension to the building.			

If you require assistance in completing this assessment, then please contact: [ESAGuidance@birmingham.gov.uk](mailto:ESAGuidance@birmingham.gov.uk)

# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Allocation of the Market Sustainability and Improvement Fund, Workforce Fund and Adult Social Care Discharge Fund**

### **Commissioner Review**

Commissioners support the recommendations.





# Birmingham City Council

## Report to Cabinet

17<sup>th</sup> October 2023



**Subject:** **ALLOCATION OF THE MARKET SUSTAINABILITY AND IMPROVEMENT FUND, WORKFORCE FUND AND ADULT SOCIAL CARE DISCHARGE FUND**

**Report of:** **Professor Graeme Betts - CBE,  
Strategic Director Adult Social Care**

**Relevant Cabinet Member:** **Cllr Mariam Khan, Health & Adult Social Care**

**Relevant O &S Chair(s):** **Cllr Mick Brown, Health & Adult Social Care**

**Report author:** **Alison Malik, Head of Commissioning (Regulated Care)**

**Email:** [Alison.Malik@birmingham.gov.uk](mailto:Alison.Malik@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011875/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential: N/A		

### 1 Executive Summary

- 1.1 To confirm the allocations of the Market Sustainability and Improvement Fund (Notice:31/6646), the Market Sustainability and Improvement Fund – Workforce Fund (Notice:31/6803) and elements of the Adult Social Care Discharge Fund (Notice:31/6645) grant in accordance with the relevant Grant Determination Notices.

1.2 Commissioners support the recommendations.

## 2 Recommendations

2.1 That the Cabinet; -

2.1.1 Accepts the grant funding in the total amount of £25,131,141, broken down as follows:

2.1.1.1. £3,780,199 from the previous Market Sustainability and Fair Cost of Care Fund element of the Market Sustainability and Improvement Fund (published on 4 April 2023) the “MS&IF”.

2.1.1.2. £9,333,826 from the new element of the Market Sustainability and Improvement Fund (published on 4 April 2023) the “MS&IF”.

2.1.1.3. £8,517,116 from the new Market Sustainability and Improvement Fund – Workforce Fund (published on 28 July 2023) the “MS&IFW”.

2.1.1.4. £3,500,000 from the Adult Social Care Discharge Fund (published on 4 April 2023) the “ASCDF”.

2.1.2 Approves the allocation of £17,781,141 of the MS&IF and MS&IFW monies to commissioned adult social care providers. The overall approach to these allocations is in accordance with the Grant Determination Notice and are set out in **Appendix 1**.

2.1.3 Approves the allocation of £3,850,000 of the MS&IF and MS&IFW monies to be spent by Birmingham City Council on measures to reduce adult social care waiting times. The details of these allocations are in accordance with the Grant Determination Notice and are set out in **Appendix 1** and currently includes (but not limited to); increasing staff capacity to support those with mental health needs awaiting an assessment; increasing staff capacity to support people awaiting an assessment/review in our Constituency Social Work teams; additional short term capacity to remove backlogs of young people awaiting an assessments from our Transitions Service; and additional short term capacity to remove Deprivation of Liberty Safeguard backlogs. All spending of this element of the Grant, will be delegated to the Corporate Director of Adult Social Care.

2.1.4 Approves allocation of £54k MS&IF to Adult Social Care budgets to cover the cost of administering the Grant (as allowed for in the Grant Conditions).

2.1.5 Approves the allocation of £3,500,000 from the Adult Social Care Discharge Fund to adult social care providers commissioned by the Council. The details of these allocations are in accordance with the Grant Determination Notice and the Better Care Fund Plan (approved by the Birmingham Health and Wellbeing Board on 18<sup>th</sup> July 2023) and as set out **Appendix 1**.

2.1.6 Approves allocation of the MS&IF, M&IFW and ASCDF for 24/25 in accordance with the same principles as set out in **Appendix 1**. Any material variations to be delegated to Corporate Director of Adult Social Care in

consultation with Cabinet Members for Health and Adult Social Care and Cabinet Member for Finance & Resources.

### **3 Background**

#### ***Market Sustainability and Improvement Fund (MS&IF)***

- 3.1 The Market Sustainability and Improvement Fund (MS&IF) was announced in the autumn statement in November 2022 and builds upon the Market Sustainability and Fair Cost of Care Fund that was introduced in 2022. The Grant Determination was issued in April 2023 and the detailed guidance in June 2023.
- 3.2 The primary purpose of the MS&IF is to support local authorities to make tangible improvements to adult social care services in their area, in particular to increase market capacity, improve market sustainability through fee increases and to reduce waiting times for care and support for our vulnerable citizens. This will support the Council in meeting its statutory duties under Section 5 of the Care Act 2014, which impose a duty to promote the efficient and effective operation of the market for adult social care; ensure we don't take any actions that would destabilise the care market; and to ensure there is a diverse range of services to support citizens with care and support needs.
- 3.3 In total the MS&IF Fund nationally amounts to £400 million of new funding for adult social care in 2023 to 2024. There is a further £683 million expected in 2024 to 2025. In 2023/2024, this new funding is being combined with the £162 million of continued Fair Cost of Care funding from 2022/2023.
- 3.4 The MS&IF Grant is a ring-fenced grant and must be allocated in full to adult social care and must use this to increase fee rates beyond planned inflationary fee uplifts. For regulated adult social care providers who are contracted to the Council, there is well established cost of care and inflationary fee uplift process. This takes into consideration a range of factors including increases in the National Living Wage, and changes to inflation. For 2023/2024 a total of £28.3m was budgeted for these inflationary fee increases. Conditions of Grant require these Grants to be distributed in addition to the agreed inflationary increases.
- 3.5 The Council may also allocate a maximum of £10k or 0.3% (whichever is greater) to administering the Grant.
- 3.6 The Council has been allocated a total of £13,114,025 MS&IF Grant, the breakdown of which is detailed under 6.3 (Financial Implications), along with details of the relevant Grant Conditions.

#### ***Market Sustainability and Improvement Fund – Workforce Fund (MS&IFW)***

- 3.7 On 28 July 2023, a further announcement of MS&IF - Workforce Fund was announced for 2023 to 2024. The purpose of the grant is the same as the wider MS&IF announced in November 22 and focusses on measures to support the independent regulated adult social care workforce. This more recent Workforce

Fund element will provide a further £365 million nationally to support adult social care.

- 3.8 This grant will be paid as a one-off grant and is expected to be received in September 2023 and must be spent in 2023/2024.
- 3.9 The Council has been allocated a total of £8,517,116 MS&IFW Grant, the breakdown of which is detailed under 6.3 (Financial Implications), along with details of the relevant Grant Conditions.

#### ***Adult Social Care Discharge Fund (ASCDF)***

- 3.10 In April 2023, conditions for a £300 million Adult Social Care Discharge Fund were published. The purpose of this Fund is to provide support to local authorities in England to build additional adult social care and community-based re-ablement capacity and to reduce hospital discharge delays.
- 3.11 In accordance with the grant conditions, the overall spend plans were to be jointly agreed between the Council and the Integrated Care Board by 28 June 2023 and signed off by the Health and Wellbeing Board. The Birmingham Health and Wellbeing Board approved the overall Better Care Fund (BCF) Plan 2023/24 on 18th July 2023.
- 3.12 The BCF Narrative Plan (approved by the Health and Wellbeing Board) includes investing £3.5m of the total Adult Social Care Discharge Fund, to support workforce recruitment and retention in the independent regulated adult social care sector in 2023/2024 and a further £3.5m for 24/25.
- 3.13 Birmingham has been allocated a total of £9,522,046 for 2023/2024 (of which the above £3.5m forms a part. The remaining spend is contained in the BCF Narrative Plan as approved by the Health and Wellbeing Board), the breakdown of which is detailed under 6.3 (Financial Implications), along with details of the relevant Grant Conditions.

#### **4 Options considered and Recommended Proposal**

- 4.1 Officers have carefully considered the evidence and options available to distribute this funding to meet the requirements of the Grant, including consultation activity contained in Section 5 (Consultation); performance against the mandated Grant metrics; other market intelligence; the Market Sustainability Plan; and the Market Capacity Plan to develop an overall approach to allocation of the above Grants for 2023/24 and 2024/25 which is set out in **Appendix 1** below.

#### **Consultation**

- 4.2 The draft submissions to DLUHC were discussed Adult Social Care Management Team and feedback incorporated into the draft submission made in May 2023.
- 4.3 Provider engagement was conducted between May 2023 and August 2023 to obtain provider views on how best to use the funding to support them. These comments have been incorporated into the allocation and spend proposals.

## 5 Risk Management

5.1 The following risks have been identified in relation to this decision and have been mitigated as follows:

- 5.1.1 The Council is required by Government to operate this Grant in accordance with the Grant Conditions. The risks of administration, debt recovery and potential fraud sit with the Council. These risks will be mitigated by distributing the funds to regulated care providers through a one-off equivalent payment in fees in 23/24 and an actual fee increase in 24/25 under the Council's contracts with care providers. This includes specific reporting requirements which will be utilised to ensure the Council can fulfil our reporting obligations and be clear about the impact of the funding.
- 5.1.2 The Council will allocate the full MS&IF and MS&IFW allocations to adult social care, which will be added to existing Adult Social Care. These are both specific Grant Conditions and are part of a substantial increase in planned adult social care spending.
- 5.1.3 The maintained £162m element of the MS&IF must be used to continue to support the progress local authorities and providers have already made in 22/23 on increasing fee rates to move towards paying a fair cost of care. The Council will use this element of the MS&IF to maintain fee uplifts originally made as part of Fair Cost of Care and ensure compliance with the Grant conditions.
- 5.1.4 The Local Government Finance Settlement 2023 to 2024 – Social Care Resources Explanatory Note sets a clear expectation that the additional funding being made available to adult social care goes beyond meeting inflationary pressures and must deliver tangible improvements in adult social care services. However, as fee increases (as required by Grant conditions) are a permanent change to contractual arrangements with providers, there is an element of risk that future Parliaments make different decisions about adult social care funding. Any such changes will have to be managed within the Council's overall revenue budget from 2025/2026.
- 5.1.5 Should the Council fail to allocate and pay these funds or fail to do so in accordance with the Grant Conditions, the Parliamentary Under-Secretary of State reserves the right to reduce, suspend or withhold grant payments or require repayment of the whole or any part of the grant monies paid. This report sets out a compliant approach to allocation of all three Grants and will mitigate this risk.
- 5.1.6 As Birmingham intends to use the majority of the MS&IF and MS&IFW grants to increase care provider fees, careful financial modelling and assumptions will need to be made regarding future inflationary increases. This will be considered as part of the Council's; overall budget setting process; contractual obligations to care providers; and the Council's Section 5 Care Act duties regarding market sustainability.

## **6 Compliance Issues:**

### **6.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 6.1.1 The proposed approach is aligned to the Adult Social Care Vision and Priorities.
- 6.1.2 The proposed approach will support the wider social care and health system and ease pressures on hospitals.
- 6.1.3 The approach is in line with the Council's financial recovery plans and Medium-Term Financial Plan.
- 6.1.4 The approach will support implementation of the Council's Commissioning Strategy 2023 for Regulated Adult Social Care services.

### **6.2 Legal Implications**

- 6.2.1 The Adult Social Care Discharge Fund is a grant made under Section 31 of the Local Government Act 2003 that is ring-fenced exclusively for actions which support hospital discharge.
- 6.2.2 A decision has already been made by the H&WB about how the ASCDF Grant will be used overall. This report will allow the element allocated to regulated care provider workforce support, to be distributed in a fair and transparent manner.
- 6.2.3 Under Section 5 of the Care Act 2014, the Council has a duty to promote the efficient and effective operation of the market for adult social care and support as a whole. The purpose of this is to require Local Authorities to drive the pace of change in the care market, ensuring there is a diverse range of care and support providers and ensuring high quality provision is available to promote the wellbeing of people who need care and support. These Grants will specifically support the Council in discharging this Duty.

### **6.3 Financial Implications**

- 6.3.1 The following table summarises the MS&IF, MS&IFW and ASCDF Grant allocations for Birmingham:

<b>Grant</b>	<b>23/24 Total</b>
MS&IF FCoC element	£3,780,199
New MS&IF element	£9,333,826
MS&IF Workforce Fund	£8,517,116
ASC Discharge Fund	£3,500,000
<b>Total</b>	<b>£25,131,141</b>

- 6.3.2 The MS&IF Grant is expected to be received by Birmingham in monthly instalments between April 2023 and March 2024 and must be spent within this time period.
- 6.3.3 The following Grant conditions apply to the **MS&IF**:
- 6.3.4 **Condition 1** - The previous Market Sustainability and Fair Cost of Care Grant element must be used to maintain previously increased fee rates paid to adult social care providers. This should be achieved through sustained fee rate increases as opposed to non-recurrent fee uplifts.
- 6.3.5 **Condition 2** - The 'new' MS&IF element must be used to make improvements in at least one of the following target areas. Each of the target areas is linked to specific measures set out in the Grant conditions and each Local Authority must show improvements in at least one of these target areas and the associated measures. Furthermore, each Local Authority must provide assurance that other target areas have not worsened:
- Increasing fee rates paid to adult social care providers in local areas
  - Increasing adult social care workforce capacity and retention (external provider workforce)
  - Reducing adult social care waiting times (including for Care Act assessments, care or support to begin and/or annual reviews of care needs).
- 6.3.6 **Condition 3** - The Council had to provide DLUHC with an initial report by 24 May 2023 which was completed. A final report is also required by 22 May 2024 to demonstrate that conditions of the Grant have been met.
- 6.3.7 **Condition 4** - The Council must submit a revised Market Sustainability Plan (production of a Market Sustainability Plan was a condition of the former Market Sustainability and Fair Cost of Care Grant 22/23 and was approved by Cabinet in February 2023). This plan sets out how the Council expects to meet demand for adult social care and the required market capacity.
- 6.3.8 The conditions of the MS&IFW largely mirror those of the MS&IF, but specifically include the following conditions:
- 6.3.9 **Condition 1** - The MS&IFW Grant is a ring-fenced grant and must be allocated in full to adult social care.
- 6.3.10 **Condition 2** - As in the MS&IF, the 'new' MS&IFW must be used to make improvements in at least one of the following target areas:
- Increasing fee rates paid to adult social care providers in local areas
  - Increasing adult social care workforce capacity and retention
  - Reducing adult social care waiting times
- 6.3.11 **Condition 3** - The Council has to provide DLUHC with final report by 22 May 2024 to demonstrate that conditions of the Grant have been met.

- 6.3.12 The ASCDF Grant Conditions allow for spending in a range of areas to support building additional adult social care and community based reablement capacity to reduce hospital discharge delays, deploying the funding in ways that support the principles of 'Discharge to Assess'. The allocation of £3.5m to be allocated to commissioned care providers will ensure that all other reporting requirements of the wider ASCDF and the BCF are met.
- 6.3.13 Although a further £683 million is expected nationally to support adult social care in 2024/2025, the exact amounts and Grant Conditions have yet to be confirmed. As each Grant will have set conditions and will be ring-fenced to adult social care, delegation of the 2024/2025 allocations (once confirmed) for the MS&IF and MS&IFW have been requested to allow the Corporate Director for Adult Social Care to operate the Grants in line with the principles in **Appendix 1** and in consultation with the relevant Cabinet Members.
- 6.3.14 The proposed fee increases – as a result of these Grant allocations - are to be paid to care providers via a 'one-off equivalent' payment for 2023/2024. Whilst the Council recognises the Grant conditions expect Local Authorities to use the MS&IF and MS&IFW for fee increases, the Council has already processed inflationary increases in 2023/2024 and any in-year changes are likely to significantly increase the number of invoice queries and impact on provider cashflow and payments. However, it is intended by the Grant conditions that future allocations of these Grants will be through a fee increase, which must therefore be assumed in future years budgets and funding.
- 6.3.15 This ring-fenced grant expenditure was presented to the S151 Spend Control Board on Friday 22<sup>nd</sup> September 2023. Blanket approval was granted at the meeting up to the value of the grant - £25,131,141. The blanket approval reference is ASC4.

## **7 Procurement Implications**

- 7.1 There are no direct procurement implications associated with this decision as the majority of funding is being issued to regulated care providers through existing contractual arrangements.
- 7.2 With regards the funding allocated to Birmingham City Council to support a reduction in adult social care waiting times, although an indicative plan is set out in **Appendix 1**, individual spend decisions will be delegated to the Corporate Director of Adult Social Care and will be conducted in accordance with the Council's Constitution.

## **8 Human Resources Implications**

- 8.1 As summarised in **Appendix 1**, the Council anticipates spending some of the MS&IF and MS&IFW on measures to reduce waiting times for adult social care. This may



include (but is not limited to) funding of overtime payments, a contribution towards the ASC Retention Payment Scheme and recruitment of additional staff capacity. However, any such measures will be delegated to the Director of Adult Social Care in consultation with the HR Business Partner for Adult Social Care and conducted in accordance with the Grant Conditions and within the Council's existing governance and policy frameworks.

## **9 Public Sector Equality Duty**

- 9.1 An Equality Impact Assessment has not been carried out in relation to the elements being distributed to regulated adult social care providers, as duties contained in the Equality Act 2010 do not apply to care providers as registered companies.
- 9.2 In relation to the £3.85m being allocated to the Council to reduce waiting times for adult social care, as set out in 8.1, any such decisions will be taken in consultation with the HR Business Partner and in accordance with existing policies and procedures such as overtime payments, recruitment and selection. As these policies and procedures have already been the subject of relevant Equality Impact Assessments, no further assessment has been conducted at this time.

## **10 Environmental and Sustainability Implications**

- 10.1 There are no Environmental and Sustainability implications associated with this decision.

## **11 Appendices**

- 11.1 **Appendix 1** – Proposed allocations of MS&IF, MS&IFW and ASCDF

## **12 Background Documents**

- 12.1 Draft/Initial Market Sustainability and Improvement Fund allocations and rationale



## APPENDIX 1

		Available spend	
MS&IF FCoC	£3,780,199.00	£3,780,199	
ASCDF	£3,500,000.00	£3,500,000	
MS&IF	£9,333,826.00	£9,333,826	£13,646,942
MS&IFW	£8,517,116.00	£4,313,116	
Waiting times spend	-£3,850,000.00		
Workforce spend	-£300,000.00	(to be applied to OA Home Support and YA Home Support for 23/24 ONLY as one-off non consolidated payment)	
Admin spend	-£54,000.00		

	Estimated 2022/23 outturn	Estimated 22/23 outturn + 23/24 agreed inflation	MS&IF FCoC £3.780m			ASCDF £3.500m			MS&IF incl MS&IFW £13.646m			23/24 Only	Overall effect			
			MSIF FCoC 22/23 outturn +23/24 inflation	Increase %	Fee increase £	ASCDF spend	Fee Increase %	Fee Increase £	MSIF spend	Fee Increase %	Fee Increase £	One-off non- consolidate d payment 2023/24 only (0.5% increase equivalent)	% uplift April 2023	% increase all grants	£ increase all grants	Fee
OA Nursing Care	£39,750,015	£43,224,166	£864,483	2.00%	£14.30	£1,037,379.99	2.40%	£17.16	£0	0.00%	£0.00		8.66%	4.40%	£31.46	£746.46
OA Residential Care	£42,211,272	£45,900,537	£918,011	2.00%	£12.44	£1,101,612.89	2.40%	£14.93	£0	0.00%	£0.00		8.74%	4.40%	£27.37	£649.37
OA Home Support	£28,764,980	£31,152,473	£1,090,337	3.50%	£0.62	£747,659.36	2.40%	£0.43	£3,068,519	9.85%	£1.75	£155,762.37	8.30%	15.75%	£2.80	£20.59
OA Supported Living	£1,448,966	£1,569,230	£0			£0.00			£69,831	4.45%	£0.79		8.30%	4.45%	£0.79	£18.58
OA Day Care	£530,222	£576,352	£0			£0.00			£0		£0.00		8.70%	0.00%	£0.00	£0.00
OA Direct Payments	£18,949,387	£20,522,186	£0			£0.00			£1,616,122	15.75%	£2.80		8.30%	15.75%	£2.80	£20.59
YA Nursing Care	£10,924,413	£11,879,207	£0			£0.00			£178,188	1.50%	£0.00		8.74%	1.50%	£0.00	£0.00
YA Residential Care	£77,252,992	£84,004,904	£0			£0.00			£1,260,074	1.50%	£0.00		8.74%	1.50%	£0.00	£0.00
YA Home Support	£23,150,629	£25,072,131	£877,525	3.50%	£0.62	£601,731.15	2.40%	£0.43	£2,469,605	9.85%	£1.75	£125,360.66	8.30%	15.75%	£2.80	£20.59
YA Supported Living	£43,532,757	£47,145,976				£0.00			£2,097,996	4.45%	£0.79		8.30%	4.45%	£0.79	£18.58
YA Day Care	£7,479,017	£8,129,691	£0			£0.00			£0		£0.00		8.70%	0.00%	£0.00	£0.00
YA Direct Payments	£33,748,672	£36,549,812	£0			£0.00			£2,878,298	15.75%	£2.80		8.30%	15.75%	£2.80	£20.59
QDS Home Support	£10,083,574	£10,920,511	£0			£0.00			£0		£0.00		8.30%	0.00%	£0.00	£0.00
Extra Care	£1,921,452	£2,080,933	£72,833	3.50%	£0.62	£0.00			£0	0.00%	£0.00		8.30%	3.50%	£0.62	£18.41
	£339,748,348	£368,728,109	£3,823,188			£3,488,383.39			£13,638,632							

Variance:		
MS&IF FCoC	-£42,988.86	Due to application of inflation/rounding
ASCDF	£11,616.61	
MS&IF		
MS&IFW	£8,310	
	-£23,061.96	Minor overall variance due to application of inflation/rounding

Fund & Amount	Rationale
Former MS&IF FCoC element of the MS&IF	<ul style="list-style-type: none"> <li>The original MS&amp;IF FCoC Grant was focused on older adults care homes, as well as home support and extra care for all adults. This specifically excluded younger adults care homes (for those under 65 with eligible care needs).</li> </ul>
£3.78m for 23/24	<ul style="list-style-type: none"> <li>The guidance for the MS&amp;IF does confirm that this element of the MS&amp;IF should be used to support previous increases made to providers. Inclusion of the younger adults care home market, would significantly dilute the increases made under MS&amp;IF FCoC grant and this is not aligned to the intent of this funding element.</li> </ul>
At least	

Fund & Amount	Rationale
£3.78m for 24/25	<ul style="list-style-type: none"> <li>• The MS&amp;IF FCoC element of the MS&amp;IF continues to be focused on older adults care homes, home support and extra care for all adults.</li> <li>• A review of 22/23 allocations also considered market capacity and pressures against the Market Sustainability Plan and Market Capacity Plan. This identified that older adults care homes and home support (adults) remain the areas of highest risk and priority to ensure needs can be met (including hospital discharge).</li> <li>• This overall approach was endorsed through provider engagement.</li> </ul>
<p>New element of MS&amp;IF and MS&amp;IF Workforce Fund</p> <p>£9.33m + £8.5m for 23/24</p> <p>At least £9.33m for 24/25</p>	<ul style="list-style-type: none"> <li>• As summarised above, a review of the Market Sustainability Plan and Market Capacity Plan all confirm the priority remains on adults home support and older adults care homes. These services support hospital discharge and experience the greatest funding and workforce challenges as summarised above.</li> <li>• The MS&amp;IF and the MS&amp;IFW can both be used to support the whole adult social care market. Given that no allocation was made from the former MS&amp;IF FCoC element of the MS&amp;IF to younger adults care homes, an allocation has been proposed from this additional element to ensure this market remains sustainable.</li> <li>• Whilst the Council is keen to maximise the financial support available to the sector, we have taken the opportunity to deduct the maximum administration fee (set at the highest of either £10k or 0.3% of the total Grant).</li> <li>• As required by Condition 2 of the MS&amp;IF, the Council must use the grant to make improvements in at least one of the target areas of; increasing fee rates paid to adult social care providers; increasing adult social care workforce capacity and retention; and/or reducing adult social care waiting times. Adult Social Care Management Team carefully considered the metrics contained in <b>Appendix 1</b>. Consideration was also given to provider feedback. Whilst supporting workforce is a priority, engagement with providers identified that the most effective means of delivering this is through increases in fees. This will allow providers flexibility to take the most appropriate recruitment and retention actions for their own workforce.</li> <li>• Careful consideration has been given to using funding to reduce waiting times for adult social care and a number of projects have been identified including (but not limited to); increasing staff capacity to support those with mental health needs awaiting an assessment; increasing staff capacity to support people awaiting an assessment/review in our Constituency Social Work teams; additional short term capacity to remove backlogs of young people awaiting an assessment from our Transitions Service; and additional short term capacity to remove Deprivation of Liberty Safeguard backlogs.</li> <li>• The Council's regular cost of care exercises has continued to identify that the Council is unable to meet the provider market stated full cost of care through existing funding. Therefore - use of these Grants to support closing the gap between provider stated costs and available resources - is in line with the purpose of the Grant and provider engagement has confirmed this will be the most effective way of supporting them to address their individual issues.</li> </ul>
<p>ASC Discharge Fund</p> <p>£3.5m of £9.52m for 23/24 and 24/25</p>	<ul style="list-style-type: none"> <li>• There is clear evidence that the majority of those citizens leaving hospital that require an ongoing package of support are older adults. To be compliant with the relevant Grant Conditions, it is therefore proposed to use this funding to support contracted older adults care homes and adults home support providers.</li> <li>• This approach will support our current Discharge to Assess pathways and ensure there is available capacity for citizens leaving those out of hospital pathways and that require ongoing care and support in a care home or in their own home.</li> <li>• As set out in the Market Sustainability Plan, the area of greatest pressure during the last two winters, has been in the adults home support market. The coming winter is not expected to be any different and this funding will help support those providers to put in place measures now to support recruitment</li> </ul>

Fund & Amount	Rationale
	<p>and retention in good time.</p> <ul style="list-style-type: none"> <li>• This approach builds on learning from previous ASCDF and the Covid Workforce Recruitment and Retention Fund, which showed this approach can significantly increase workforce capacity and help to maintain capacity at critical times.</li> <li>• The £3.5m is therefore proposed to be split equally between the adults home support and older adults care home contracted market.</li> </ul>



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Planned Procurement Activity Report (Key)**

### Commissioner Review

The recommendations are supported following confirmation from officers that:

- The PPAR key and non-key decisions reports only cover the procurement projects that are above threshold and are therefore required to be reported via the PPAR process. The reports that have been submitted for PPAR will cover anything that is over the threshold and has met the deadline for PPAR submission. These reports do not include quotations/ tenders/ call offs for any contracts that are below the PCR15 threshold. Also the Breaches, Waivers and Negotiated Procedures are reported separately to Directors. Additionally any projects over £10 million are reported to Full Cabinet and are not included on the PPAR.
- Regarding the question around why so little activity is reported this time around some projects have been impacted by the current Section 114 notice and S151 Spend approval process, and also that as it has been the summer holidays recently some projects may have taken this in to consideration and therefore had later project dates.





# Birmingham City Council

## Report to Cabinet

Date: 17<sup>th</sup> October 2023



**Subject:** KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)

**Report of:** ASSISTANT DIRECTOR – PROCUREMENT

**Relevant Cabinet Member:** Councillor Brigid Jones, Cabinet Member for Finance and Resources

**Relevant O &S Chair(s):** Councillor Jack Deakin, Chair of Finance and Resources OSC

**Report author:** Steve Sandercock, Assistant Director, Procurement  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto:steve.sandercock@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 011844/2023		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential : 3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £10m, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 To approve the planned procurement activities as set out in Appendix 1 and approve Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

## **3 Background**

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12<sup>th</sup> July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £10m for key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £10m (excluding VAT) for key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £10m contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

### **4.1 The options considered are:**

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To approve the planned procurement activities for all the projects listed in appendix 1 and approve Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

## **5 Consultation / Engagement**

- 5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

## **6 Risk Management**

- 6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.
- 6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

## **7 Compliance Issues:**

### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

- 7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.
- 7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

### **7.3 Financial Implications**

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.

- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium-Term Financial Plan (MFTP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

#### **7.4 Procurement Implications (if required)**

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices.

#### **7.5 Human Resources Implications (if required)**

- 7.5.1 None.

#### **7.6 Public Sector Equality Duty**

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

### **8 Background Documents**

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity November 2023 – January 2024
  - 2. Appendix 2 – Background Briefing Paper
  - 3. Appendix 3 – Exempt Information

## APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Fire Risk Assessments for Medium to High Rise Buildings	TBC	<p>The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005. There has been significant secondary legislation and alignment with the Building Safety Act 2022. The requirements apply to all of housing stock, where a communal space is present, thus in-scope.</p> <p>To meet the requirements all properties must have a Fire Risk Assessment (FRA) undertaken, with a frequency based on the height of the property and the risk profile identified in the previous FRA.</p>	3 years	City Housing	Housing and Homelessness	Andrew Healey	Brian Clifton / Lucy Ford	20/11/2023
2	Strategy / Award	Concierge Support Service	TBC	<p>The Council currently contracts with Total Computer &amp; Network Support (TCNS) Ltd for the door access and control systems for over a 100 residential tower blocks across Birmingham.</p> <p>The service includes an In Hours Support Service (1 x Engineer from 9am Monday – 5pm Friday) and an Out of Hours Support Service (1 x Engineer from 5pm Monday – 9am Friday).</p>	2 years with an option to extend for a further 2 years	City Housing	Housing and Homelessness	Andrew Healey	Bipin Parmar / Jake Smith	27/10/2023

## **APPENDIX 2**

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 17<sup>th</sup> October 2023**

<b>Title of Contract</b>	<b>Fire Risk Assessments for Medium to High Rise Buildings</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Wayne Davies, Director Asset Management <b>Client Officer:</b> Brian Clifton, Compliance Manager <b>Procurement Officer:</b> Lucy Ford, Sub Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Jayne Francis - Cabinet Member for Housing and Homelessness</b>
Briefly describe the service required	<p>The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005. There has been significant secondary legislation and alignment with the Building Safety Act 2022. The requirements apply to all of housing stock, where a communal space is present, thus in-scope.</p> <p>To meet the requirements all properties must have a Fire Risk Assessment (FRA) undertaken, with a frequency based on the height of the property and the risk profile identified in the previous FRA.</p> <p><b><u>High/Medium rise</u></b> The Council has a total of 206 high and medium rise properties, 185 high rise, being over 18 meters or 7 stories in height, and 21 medium rise, being between 11m and 17.99m in height. The Council's policy is that an FRA is carried out on all high and medium rise buildings on an annual basis. Currently the high/medium rise FRA's are being undertaken by in-house staff on secondment from within the capital works team.</p> <p>Forthcoming changes to legislation will require all FRA assessors to meet a number of training and competence milestones to deem them competent. The current officers do not hold any of the required formal training requirements and upskilling them would take 4 – 6 years.</p> <p>With the FRA's being completed in-house there is also concern over the Council's ability to demonstrate a level of independent scrutiny of 3rd party professional indemnity over the content of the FRA's, leaving the Council solely liable if a fire event was to occur.</p> <p>Based on the information above, the Council currently does not have the required competencies and capacity within its existing resources to undertake, deliver and assure the required high/medium rise FRA programme as required by the forthcoming changes to legislation.</p>
What is the proposed procurement route?	A procurement process will be undertaken by way of a National Framework in accordance with its protocol.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	New requirement to be procured.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house as there is not the resources with the technical skills required to perform the services required as highlighted above.
How will this service assist with the Council's commitments to Route to Zero?	The required provision will provide Regulatory compliance and assists with relating information required for Repair and Capital Works Programmes. All work programmes are aligned to the draft Asset Management Strategy and City Housings commitment to Net Zero ambitions.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The contractor will be required to respect the householder where the works are installed in accordance with the Council's policy.

Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council has a statutory obligation to manage Fire Safety, primarily under the Regulatory Reform (Fire Safety) Order 2005.
Approval via Spend Control Board.	Approval for this requirement was obtained from City Housing Spend Control Board on the 1st September 2023 and approved at Section 151 Board on 14th September 2023.
What budget is the funding from for this service?	This is funded from HRA budget.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of 3 years.

<b>Title of Contract</b>	<b>Concierge Support Service</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Cheryl Doran, CIO & Assistant Director, Digital and Technology Services <b>Client Officer:</b> Bipin Parmar, Head of Networks <b>Procurement Officer:</b> Jake Smith – IT Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Saima Suleman – Cabinet Member for Digital, Culture, Heritage and Tourism</b>
Briefly describe the service required	<p>The Council currently contracts with Total Computer &amp; Network Support (TCNS) Ltd for the door access and control systems for over a 100 residential tower blocks across Birmingham.</p> <p>The service includes an In Hours Support Service (1 x Engineer from 9am Monday – 5pm Friday) and an Out of Hours Support Service (1 x Engineer from 5pm Monday – 9am Friday).</p> <p>The equipment and support is proprietary to TCNS. Insight via Health Trust Europe, as the ranked and exclusive reseller for TCNS provides the only compliant route to market. Robust due diligence will be undertaken to ensure value for money.</p>
What is the proposed procurement route?	The proposed route to market is via the Health Trust Europe Framework (ICT Solutions). This will be a Direct Award to Insight as the ranked and exclusive reseller of TCNS.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	There is an existing contract with TCNS. This contract commenced on 1 <sup>st</sup> November 2022, with an expiry of 31 <sup>st</sup> October 2023.
Will any savings be generated?	Any savings opportunities are still to be confirmed.
Has the In-House Preferred Test been carried out?	The Council does not currently have the resources, capacity nor capability to provide this service in house.
How will this service assist with the Council's commitments to Route to Zero?	Not applicable.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The required activities support tackling inequalities as per the Council's Equality Strategy and Action Plan documented <a href="#">here</a> . The activities i.e. providing services to residents in over 100 tower blocks across Birmingham is critical in underpinning 'Equality', 'Diversity', 'Equity', 'Inclusion' and 'Belonging'.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The required service is business critical and supports statutory responsibilities in ensuring access to over 100 tower block for the respective residents.
Approval via Spend Control Board	Approved via City Housing Spend Board on 24 <sup>th</sup> August 2023 and approved at Section 151 Board on 14th September 2023.
What budget is the funding from for this service?	This is revenue funding from the Night Security budget Avon5 TV5E6.
Proposed start date and duration of the new contract	The proposed start date is 1 <sup>st</sup> November 2023 for an initial period of 2 years with an option to extend for a further 2 years.



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Planned Procurement Activity Report (Non-Key)**

### Commissioner Review

The recommendations are supported following confirmation from officers that:

- The PPAR key and non-key decisions reports only cover the procurement projects that are above threshold and are therefore required to be reported via the PPAR process. The reports that have been submitted for PPAR will cover anything that is over the threshold and has met the deadline for PPAR submission. These reports do not include quotations/ tenders/ call offs for any contracts that are below the PCR15 threshold. Also the Breaches, Waivers and Negotiated Procedures are reported separately to Directors. Additionally any projects over £10 million are reported to Full Cabinet and are not included on the PPAR.
- Regarding the question around why so little activity is reported this time around some projects have been impacted by the current Section 114 notice and S151 Spend approval process, and also that as it has been the summer holidays recently some projects may have taken this into consideration and therefore had later project dates.



# Birmingham City Council

## Report to Cabinet

Date: 17<sup>th</sup> October 2023



**Subject:** NON-KEY DECISION PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)

**Report of:** ASSISTANT DIRECTOR – PROCUREMENT

**Relevant Cabinet Member:** Councillor Brigid Jones, Cabinet Member for Finance and Resources

**Relevant O &S Chair(s):** Councillor Jack Deakin, Chair of Finance and Resources OSC

**Report author:** Steve Sandercock, Assistant Director, Procurement  
Email Address: [steve.sandercock@birmingham.gov.uk](mailto:steve.sandercock@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		
3. Information relating to the financial or business affairs of any particular person (including the council)		

### 1 Executive Summary

- 1.1 This report provides details of the planned procurement activity for the period November 2023 – January 2024 which are not key decisions. Planned procurement activities reported previously are not repeated in this report.
- 1.2 The report enables Cabinet to identify whether any reports for procurement activities should be brought to this meeting for specific executive decision,

otherwise they will be dealt with under Chief Officer delegations up to the value of £500,000, unless TUPE applies to current Council staff.

## **2 Recommendations**

- 2.1 To note the planned procurement activities as set out in Appendix 1 and Chief Officer delegations, set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.

## **3 Background**

- 3.1 The report approved by Council Business Management Committee on 16 February 2016 set out the case for introducing this process.
- 3.2 At the 12<sup>th</sup> July 2022 meeting of Council changes to procurement governance were agreed which gives Chief Officers the delegated authority to approve procurement contracts up to the value of £500,000 for non-key decisions over the life of the contract. Where it is likely that the award of a contract will result in staff employed by the Council transferring to the successful contract under TUPE, the contract award decision has to be made by Cabinet.
- 3.3 In line with the Procurement and Contract Governance Rules that form part of the Council's Constitution, this report acts as the process to consult with and take soundings from Cabinet Members and the Resources Overview & Scrutiny Committee.
- 3.4 This report sets out the planned procurement activity over the next few months where the contract value is between the procurement threshold £177,897.50 (excluding VAT) and £500,000 (excluding VAT) for non-key decisions. This will give members visibility of all procurement activity within these thresholds and the opportunity to identify whether any procurement reports should be brought to Cabinet for approval even though they are below the £10m delegation threshold.
- 3.5 It should be noted that the procurement threshold has changed from £189,330 to £177,897.50 (excluding VAT) and applies from 1st January 2022 for a period of 2 years.
- 3.6 Individual procurements may be referred to Cabinet for an executive decision at the request of Cabinet, a Cabinet Member or the Chair of Resources Overview & Scrutiny Committee where there are sensitivities or requirements that necessitate a decision being made by Cabinet.
- 3.7 Procurements below £500,000 contract value that are not listed on this or subsequent monthly reports can only be delegated to Chief Officers if specific approval is sought from Cabinet. Procurements above £10m contract value will still require an individual report to Cabinet in order for the award decision to be delegated to Chief Officers if appropriate.
- 3.8 A briefing note with details for each item to be procured is listed in Appendix 2. The financial information for each item is detailed in Appendix 3 – Exempt Information.

## **4 Options considered and Recommended Proposal**

4.1 The options considered are:

- To identify specific individual procurements as listed in appendix 1 for further consideration, along with clear reason(s) for such additional consideration, to Cabinet around the procurement strategy and contract award.
- To note the planned procurement activities for all the projects listed in appendix 1 and the Chief Officer delegations as set out in the Constitution, for the subsequent decisions around procurement strategy and contract awards.– this is the recommended option.

## **5 Consultation / Engagement**

5.1 This report to Cabinet is copied to Cabinet Members, Cabinet Support Officers and to Resources Overview & Scrutiny Committee and therefore is the process for consulting with relevant cabinet and scrutiny members. At the point of submitting this report Cabinet Members/ Resources Overview & Scrutiny Committee Chair have not indicated that any of the planned procurement activity needs to be brought back to Cabinet for executive decision.

## **6 Risk Management**

6.1 Members should note that in respect of any procurement projects which are sought to be referred back to Cabinet for further considerations these may impact on timescales around the delivery of those projects.

6.2 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports.

## **7 Compliance Issues:**

**7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

7.1.1 Details of how the contracts listed in Appendix 1 and Appendix 2 support relevant Council policies, plans or strategies, will be set out in the individual reports.

### **7.2 Legal Implications**

7.2.1 Members are reminded that as a Local Authority the Council has specific duties under public sector procurement, specifically the Public Contract Regulations 2015.

7.2.2 Specific details of any implications related to public sector procurement Regulations are set out- in the individual reports appended to this report.

### **7.3 Financial Implications**

- 7.3.1 Specific details of how decisions will be carried out within existing finances and resources will be set out in the individual reports.
- 7.3.2 Any cashable savings generated as a result of the procurement exercises are detailed in Appendix 2 to the delivery of procurement related savings and be removed from Directorate where identified in addition to the existing service area savings target as set out in the Medium Term Financial Plan (MTFP) in line with the principles to treatment of identified savings against third party contracts as agreed by CLT on 24th January 2022.

### **7.4 Procurement Implications (if required)**

- 7.4.1 As noted under the Legal Implications the Council has a duty to ensure that public sector procurement activity is in line with public sector legislation, specifically the Public Contracts Regulations 2015.
- 7.4.2 For each of the individual projects the specific procurement implications associated to the legislation are set out and detailed in the appendices

### **7.5 Human Resources Implications (if required)**

- 7.5.1 None.

### **7.6 Public Sector Equality Duty**

- 7.6.1 Details of Risk Management, Community Cohesion and Equality Act requirements will be set out in the individual reports which should also give consideration to application of Equality Impact Assessments in line with Council Policy

## **8 Background Documents**

- 8.1 List of Appendices accompanying this Report (if any):
- 1. Appendix 1 - Planned Procurement Activity November 2023 – January 2024
  - 2. Appendix 2 – Background Briefing Paper
  - 3. Appendix 3 – Exempt Information

**APPENDIX 1 – PLANNED PROCUREMENT ACTIVITIES (NOVEMBER 2023 – JANUARY 2024)**

No.	Type of Report	Title of Procurement	Ref	Brief Description	Contract Duration	Directorate	Portfolio Finance and Resources Plus	Finance Officer	Contact Name	Planned CO Decision Date
1	Strategy / Award	Asbestos Survey and Management Plan – Additional Programme	TBC	The Council has a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012, within the shared areas of all its housing stock. All properties, built prior to 2000, must have a management survey undertaken. Once completed, and where any materials are proven to contain asbestos an Asbestos Management Plan (AMP) is produced.	8 months	City Housing	Housing and Homelessness	Andrew Healey	Brian Clifton / Lucy Ford	20/11/2023

## APPENDIX 2

### **BRIEFING NOTE ON PLANNED PROCUREMENT ACTIVITIES** **CABINET – 17<sup>th</sup> October 2023**

<b>Title of Contract</b>	<b>Asbestos Survey and Management Plan – Additional Programme</b>
<b>Contact Officers</b>	<b>Director / Assistant Director:</b> Wayne Davies, Director Asset Management <b>Client Officer:</b> Brian Clifton, Compliance Manager <b>Procurement Officer:</b> Lucy Ford, Sub Category Manager
<b>Relevant Portfolio</b>	<b>Councillor Jayne Francis - Cabinet Member for Housing and Homelessness</b>
Briefly describe the service required	<p>The Council has a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012, within the shared areas of all its housing stock. All properties, built prior to 2000, must have a management survey undertaken. Once completed, and where any materials are proven to contain asbestos an Asbestos Management Plan (AMP) is produced.</p> <p><b>Low Rise:</b> - approximately 2414 low rise require a management survey required to meet the requirements set out above.</p> <p>The Social Housing Regulator has expressed its concerns about the lack of compliance and the potential risk of exposure to ACM's to our residents, and it remains one of the formal areas to be remediated, required before June 24.</p> <p><b>High Rise:</b> -Current contractors were instructed to undertake surveys to ensure all 210 high and medium properties have a current management survey and associated AMP in place by End July 2023. As of 4<sup>th</sup> August 2023, 13 inspections have yet to commence, and 65 reports are still awaiting issue to BCC an accelerated provision is required to meet the commitments provided to the Regulator of Social Housing.</p> <p>It is unlikely that the current contractor has the capacity to undertake and deliver the entire low-rise programme along with the completion of the high/medium rise programme and subsequent ongoing reinspection programme and therefore additional contractors are sought to apportion this work.</p>
What is the proposed procurement route?	A procurement process will be undertaken by way of a National Framework in accordance with its protocol.
What are the existing arrangements? Is there an existing contract? If so when does that expire?	Current in-house arrangements through Birmingham City Laboratories (BCL) will not meet the accelerated requirements of the Programme to ensure Regulatory Compliance as a result of Breach Notice. New requirement to be procured.
Will any savings be generated?	No cashable savings will be generated by this project.
Has the In-House Preferred Test been carried out?	Yes, and the test demonstrated this is not suitable to be carried out in-house due to insufficient resources and required technical skills. The current use of BCL, given the time constraints provided to the Regulator of Social Housing will provide insufficient capacity.
How will this service assist with the Council's commitments to Route to Zero?	The Asbestos Management report provides Regulatory compliance and assists with Repair and Capital Works Programme aligned to City Housings commitment to Net Zero ambitions.
How do these activities assist the Council with Everybody's Battle; Everybody's Business?	The contractor will be required to respect the householder where the works are installed in accordance with the Council's policy.
Is the Council under a statutory duty to provide this service? If not, what is the justification for providing it?	The Council have a statutory obligation to manage Asbestos, under the Control of Asbestos Regulations 2012.
Approval via Spend Control Board.	Approval for this requirement was obtained from City Housing Spend Control Board on the 1st September 2023 and approved at Section 151 Board on 14th September 2023.



What budget is the funding from for this service?	This is funded from the HRA budget.
Proposed start date and duration of the new contract	The proposed start date is January 2024 for a period of 8 Months.



# Birmingham City Council

## Cabinet Committee

Date 17 October 2023



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**Subject:** **Appointments to Outside Bodies**

### Commissioner Review

Publish report with no comment.



# Birmingham City Council

## Report to Cabinet

17 October 2023



**Subject:** APPOINTMENTS TO OUTSIDE BODIES

**Report of:** City Solicitor

**Relevant Cabinet Member:** Cllr John Cotton, Leader of the Council

**Relevant O & S Chair(s):** Cllr Sir Albert Bore, Chairman of Co-ordinating Overview and Scrutiny Committee

**Report author:** Errol Wilson, Committee Services

Tel: 0121 675 0955

e-mail: [errol.wilson@birmingham.gov.uk](mailto:errol.wilson@birmingham.gov.uk)

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

### 1 Executive Summary

- 1.1 The report seeks the approval of the Cabinet to the appointment of representatives to serve on outside bodies detailed in the appendix to this report.

### 2 Recommendations

- 2.1 That Cabinet agrees to appoint representative(s) to serve on the Outside Bodies detailed in the appendix to this report.

### **3 Background**

- 3.1 At a meeting of all Councillors on 11 July 2017, the City Council approved changes to the Constitution that set out those appointments that are reserved to the full City Council to determine. All other appointments of Members and officers to outside bodies shall be within the remit of Cabinet to determine and the proportionality rules will not automatically apply.

### **4 Options considered and Recommended Proposal**

- 4.1 These appointments are a matter for the Cabinet to determine, in accordance with the City Council's current Constitution.

### **5 Consultation**

For appropriate items, the Secretaries to the Political Groups represented on the Council.

### **6 Risk Management**

- 6.1 The main risk of not making appointments might lead to the City Council not being represented at meetings of the bodies concerned. It is always important in making appointments to have regard to the City Council's equal opportunities policies.

### **7 Compliance Issues:**

#### **7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?**

- 7.1.1 The appointments are consistent with the legal and constitutional requirements of the City Council.

#### **7.2 Legal Implications**

- 7.2.1 As set out in paragraph 7.1.1 above.

#### **7.3 Financial Implications**

- 7.3.1 There are no additional resource implications. Where applicable, those implications arise at the time that the relevant body, or a grant to it, is established.

#### **7.4 Procurement Implications (if required)**

- 7.4.1 Not applicable.

#### **7.5 Human Resources Implications (if required)**

- 7.5.1 Not applicable.

#### **7.6 Public Sector Equality Duty**

- 7.6.1 As set out in paragraph 6.1 above.

## **8 Background Documents**

- 8.1 Report of the Council Business Management Committee to City Council on 11 July 2017 “Revised City Council Constitution”; along with relevant e-mails/file(s)/correspondence on such appointments.

**Attached:** Appendix to Report to Cabinet – 17 October 2023 - Appointments to Outside Bodies





**APPENDIX 1****APPENDIX TO REPORT TO CABINET 17 October 2023**  
**APPOINTMENTS TO OUTSIDE BODIES****1. Summary of Decisions**

On 15 August 2017, Cabinet resolved under decision number 004096/2017 that the practice be continued of contacting each representative when their term of office is due to expire to ascertain whether they are willing to be re-appointed and that, unless indicated otherwise in the report to Cabinet, it will be understood that such representatives are not willing to be re-appointed.

**2. Non - Annual Appointment****Birmingham Bodenham Trust**

Birmingham Bodenham Trust has requested that an additional Councillor be appointed to the Trust and that this be a Conservative Councillor as there is already a serving Labour Councillor on the Trust. The Conservative Group Secretary has agreed for Councillor Darius Sandhu to be nominated to the trust. Therefore, it is

**RECOMMENDED:-**

That Cabinet agrees the nomination of Councillor Darius Sandhu as an additional nominative trustees for the Birmingham Bodenham Trust from the 17 October 2023 expiring on the 30 June 2026.

