

Responding to the challenge, looking to the future

**A summary of the
Green Paper from
Birmingham City Council**

October 2014

Introduction

Birmingham City Council has been dealing with significant cuts in its funding since 2010. We have already made £460 million of cuts and we expect to be forced to make over £315 million more by 2018.

We are facing severe spending pressures in our social care services for children and older people and a legacy of costs connected with equal pay claims. The Government has cut local councils more than other services and it has cut the more deprived parts of the country more than better off areas.

So we have no choice but to make big changes to what we do and how we do it. We want to change things in ways that will allow us to provide decent services in the future, but we can't just continue to cut the budgets of existing services each year. Instead we need to change things in a bigger way.

The green paper which this document summarises sets out in more detail our vision for the future of the city council. You can comment on the green paper and your feedback is welcome.

Our detailed budget proposals for next year will be published for formal consultation in December. We are planning next year's budget based on the relative importance of the different services we provide, by prioritising in terms of how they contribute to our core priorities:

Fairness, Prosperity and Democracy.

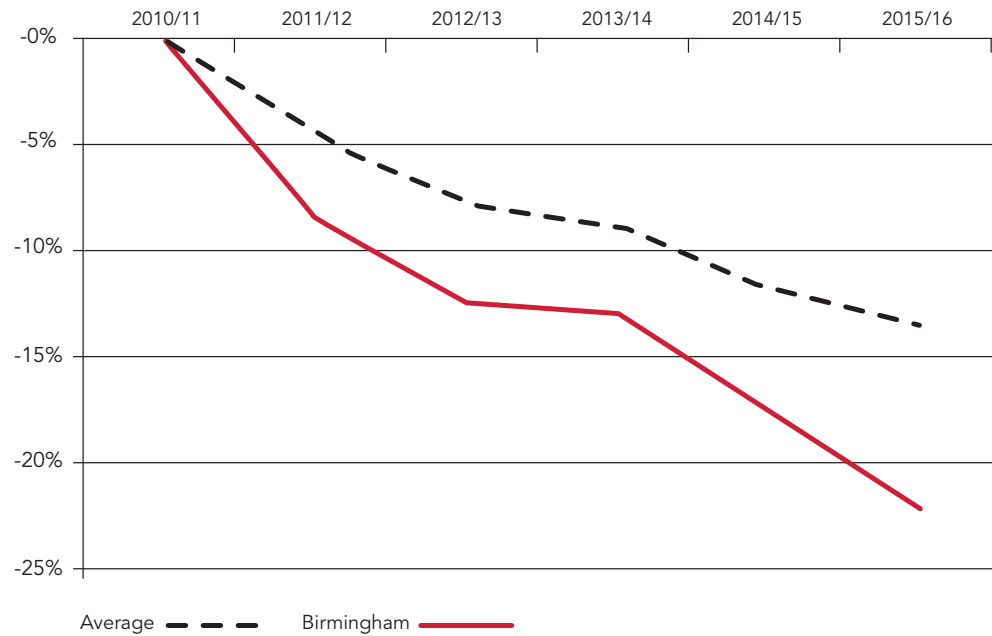
But we are already absolutely clear about our top priorities: protecting children and helping to create more jobs for Birmingham people.

The numbers

- Services have been reviewed according to how they contribute to our priorities
- We have made £460 million of cuts since 2010
- We need to cut over £300 million more by 2018
- Government funding has been reduced by £265 million a year, and will be cut by £105 million next year
- Next year's cuts to our basic grant from the Government will be the highest since austerity began
- The Government has cut authorities in deprived areas more than in better off areas
- We will need to make long term changes to adjust to reduced funding
- We cannot always use reserves
- A one per cent increase in council tax only gives an extra £2.6 million income a year

The following graph illustrates how Birmingham has seen bigger reductions in spending power than the average for the UK:

Cumulative spending power reductions



Cuts are expected to continue over the next three years, whoever wins the next General Election, as all parties plan to continue with deficit reduction.

Birmingham City Council needs to make longer term changes to adjust to reduced funding and changing needs in the population. We cannot always use our reserves as they are often allocated for specific things and we need sufficient contingency funding. We have planned for a council tax increase of two per cent a year between now and 2018, but no final decision has been taken. Each one per cent increase in council tax gives an extra £2.6 million income each year.



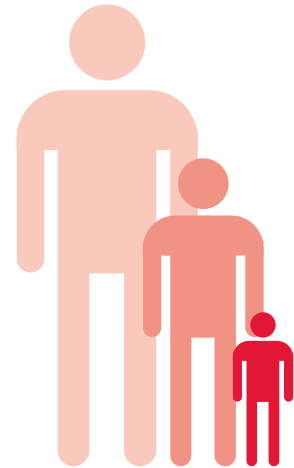
THE KEY MESSAGES

£150m

The scale of cuts we need to make in 2015/16

67%

The percentage of our overall income provided by central government



6000

The number of staff we expect to lose between now and 2018

Government has cut the most deprived areas more

£69m

Birmingham would be better off by this amount by 2017–18 if the cuts were fair

Our council tax rates are low compared to other large cities, and because of this the annual loss to Birmingham is

£24m



-14%
England average



-22%
Reduction for Birmingham

Our spending power has been cut

The government has made much bigger cuts to Birmingham and the other big cities than the rest of England on average. For Birmingham this has meant a 22% reduction in our spending power between 2010 and 2016.

Shaping the future together

Faced with this challenge, we are working together as an organisation to define more clearly the priority outcomes we want to achieve. We are also working to develop new operating models that will determine how we achieve those outcomes.

We want to develop a new relationship with our service users and the people of Birmingham. We are seeking to support local action and increased local governance. We want our residents to take action on the issues that most concern and interest them.

We have developed the 'triple devolution' approach to summarise how we want to run things in the future. This will involve different activities taking place at three different levels: the city region (working with our neighbouring councils), the city and our local neighbourhoods. We are campaigning to get central government to pass down to us more control of spending so that we can carry out these activities more effectively (for example helping to create jobs, build new transport systems and manage our health and social care services better).

Three big change programmes are being implemented to achieve this:

- Creating a joined up approach across the city region by sharing resources with neighbouring councils
- Working more closely with the NHS to integrate health and social care services and changing our relationship with schools
- Bringing together our local environmental and housing services and encouraging community groups and social enterprises to contribute to the local area

You can read more about how power could be devolved out to the regions and to local neighbourhoods at www.birmingham.gov.uk/devolution

The background to this green paper

The **2013 White Paper** set out some key principles for the council's future direction.

The 2014 service review process

Service Reviews gathered information on each service area, identifying essential activities and legal obligations. Costs were worked out and the contribution of each service area to our priorities was assessed alongside value for money.

The full **green paper** outlines how services could run for less money, delivering essential activities. Changes to and withdrawal of services are also set out.

The seven reviews were as follows:

- Children's Safeguarding and Education
- Health and Adult Social Care
- Devolved Local Services
- District Service Level Agreements (DSLAs) and Regulatory Services
- Externally Contracted and Council-Traded Services
- Employment Support and Transportation Infrastructure
- Financial and Support Services

Prioritisation

Each service area was assessed in terms of how it meets the core priorities of Fairness, Prosperity and Democracy, plus Regional Capital and Reputation.

| Criteria | Notes |
|---|---|
| 1. A fair city | Issues around safeguarding vulnerable people; health and wellbeing (especially for disadvantaged groups), and helping families out of poverty (e.g. through Living Wage jobs). |
| 2. Prosperous city – business growth | Growing businesses and making these more sustainable, including through improved transport and connectivity. Increasing employment (especially for disadvantaged groups), and helping young people into employment, education or training. |
| 3. A democratic city | Helping citizens to become more engaged in their local community and democracy, and have more influence over decisions. Partnership working to deliver key outcomes for the city, including with other statutory agencies, funders and third sector organisations. |
| 4. Regional capital factor/reputational issues | The things that a city 'must do' to maintain its reputation and fulfil its role as a regional capital. Examples include involvement in 'cities' networks or supporting regional centres of excellence. |

Services were split into four categories with roughly equal numbers of services in each category:

- **Very high priority:** services typically making an essential direct contribution to three or all of the criteria. This category accounts for 24% of expenditure on gross controllable budgets.
- **High priority:** services typically making an essential direct contribution to two or more of the four criteria. This category accounts for 34% of expenditure on gross controllable budgets.
- **Medium priority:** services typically making an essential direct contribution to at least one of the four criteria. This category accounts for 29% of expenditure on gross controllable budgets.
- **Lower priority:** services typically making supportive contributions to outcomes. Although this category covered a quarter of services, they only cover an eighth of expenditure on gross controllable budgets.

Initial conclusions

The following table sets out our current assessment of service prioritisation.

| Very high contributions to key outcomes | High contributions to key outcomes | Medium/lower contributions to key outcomes |
|---|---|--|
| Child Protection (top priority) Arts & Museums Care Services for Older People Care Services for Younger Adults Community Libraries Healthwatch Home to School Transport Homelessness Licensing Marketing Birmingham Miscellaneous District Services Planning & Regeneration Public Health Refuse Collection and Waste disposal Registrars Supporting People Transportation Strategy | Adaptations Service Climate Change Measures Coroner/Mortuary Early Years Emergency Planning & CCTV Environmental Health Flood Risk Services Highways (Maintenance Service) Library of Birmingham/Strategic Library Service Major Events* Markets On Street Parking & Civil Enforcement Parks and Nature Conservation Specialist Adult Care Strategic & District Community Sport Street Cleansing & Public Conveniences Trading Standards* Youth Service | Bereavement services Building Regulation Careers Advice Central Education Services Children's Play* Community Chest* Community Development* Community Events* Housing Rents* Neighbourhood Advice Off Street Parking Pest Control Private Housing School Buildings* School Catering & Cleaning School Crossing Patrols* School Playing Fields* Voluntary Sector Advice* |
| * Trading service | | |

Our early thinking

Our service reviews have reached a set of early ideas for savings outlined in brief below. The full outline of ideas for each of the seven areas is contained in the longer **green paper**. Everything we are proposing fits within the programme for change which includes **how power could be devolved**.

www.birmingham.gov.uk/devolution

Service Review Options

Our current assessments within the anticipated budget for 2015–16 are summarised below in a series of options being considered by the 2014 Service Review Boards:

Children's Safeguarding and Education

Managing how schools spend their money in a different way.

Reducing the money for services related to education (e.g. admissions, audit and school improvement).

Changing the way the catering and cleaning service for schools operates.

Health and Adult Social Care

Bringing budgets for caring for older people together and aiming to use money to prevent problems in advance, rather than dealing with more severe difficulties once they have happened.

Exploring the creation of a Mutually Owned Social Enterprise (MOSE) for our Specialist Care Services, as approved by Cabinet in April.

Reviewing the use of the Public Health budget with our NHS partners to improve public health outcomes and target lifestyle services. Focusing on early years, promoting independence in the elderly, and getting people with enduring mental health problems back to work.

Arranging a new external contract for preventative services for younger and older adults who do not have 'substantial' or 'critical' needs.

Not replacing staff who have left customer care and continuous improvement teams.

Reducing the amount of money we give to Healthwatch Birmingham.

Employment Support and Transportation Infrastructure

Setting up a 'Joint Delivery Unit' with other nearby local councils, Local Economic Partnerships, universities and other bodies, for the commissioning of economic development work.

Reducing the amount of money we need to cut by using some reserves that aren't already allocated elsewhere, deleting vacant posts and restructuring management. Income could also be generated through 3D modelling in city centre design as well as from programmes outside the council.

Focusing our employment and skills work on youth unemployment and delivering this locally.

Reducing budgets for events and the external marketing of Birmingham.

Devolved Local Services and District SLA and Regulatory Services

Working to enable all young people in Birmingham to access appropriate advice and guidance, with a guaranteed offer of employment, education or training.

Joining neighbourhood and housing advice services into single centres providing a wider range of support to local residents.

Introducing a small set of minimum requirements that apply to all Districts, for example what library or parks services should be provided.

Changing the schools crossing patrol service so that schools can buy the service they need.

Maintaining council expertise to help and support community events, but reduce the financial support for these events.

Financial and Support Services

Reducing staff in 'behind the scenes' support roles, using financial reserves and making things more efficient (e.g. by moving the contact centre into cheaper premises and bringing communications budgets together).

Reducing the need for support with things like personnel and budget monitoring by providing managers with the tools to help themselves.

Externally Contracted and Council-Traded Services

Better management of, and more income from, the parts of the council that charge for things.

Improving commissioning and contract management across the council.

The specific ideas and options for generating income and expanding trading operations are developed under the relevant service reviews.

Additional task and finish reviews

Our service reviews have reached a set of early ideas for savings outlined in brief. Following the completion of the above service reviews, a small number of quick additional reviews on particular issues have now been set up. These will all report before the budget proposals are finalised in December.

The reviews are as follows:

Street Services

This review will identify how street services can be re-shaped to improve the resident satisfaction with street cleanliness and refuse collection services whilst delivering budget savings next year.

Comprehensive housing offer

This review will bring forward a comprehensive housing offer to the citizens of Birmingham, setting out the service we will offer and covering housing supply, homelessness, private sector renting and landlord issues, housing allocations, debt advice and our partnership working with other providers.

Library of Birmingham and community libraries

This review will identify savings in the Library of Birmingham and its relationship with community libraries.

Arts, culture, museums and events

This review will develop a sustainable model for future funding of arts, culture and events.

Early years, children's centres and nursery schools

This review will assess whether additional budget savings can be delivered from early years' services next year and develop a transformational approach for the future.

European funding opportunities

This review will identify the potential for the city council to secure additional EU funding to support corporate priorities.

Key questions

Do you support our approach to devolution and the reform of public services?

How should this best be taken forward?

What do you think about our early thinking and our ideas for each of the following:

- Children's Safeguarding and Education
- Health and Adult Social Care
- Employment Support and Transportation Infrastructure
- Devolved Local Services
- District Service Level Agreements (DSLAs) and Regulatory Services
- Financial and Support Services
- Externally Contracted and Council-Traded Services

What other changes would save money whilst protecting our priority outcomes as far as possible?

The dialogue

We want to hear your views on this green paper, and the conversation will continue through to December, when we will enter into a formal period of consultation before publishing our budget for 2015/16. All the information you need will be posted at:

www.birmingham.gov.uk/brumbudget15

City council staff will also be encouraged to join the debate.

You can comment in the following ways:

- By completing an online survey at: **www.birminghambeheard.org.uk/bcc-service-reviews/challenge** This is the best way to get in touch.
- By emailing **servicereviews@birmingham.gov.uk**
- By text message to **07786200403**

Simply start a new message with the words 'Budget' followed by a space (if you miss out this word your message will be lost), then add your comment. Please note you will not get a receipt for this message. Messages sent via this service will cost your usual network rate per message and are anonymous unless you put your name in the message.

- Twitter and Facebook: Follow BhamCityCouncil or use the hash tag #BrumBudget15

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

Standing Up For Birmingham (SU4Brum) aims to inspire city groups, businesses and organisations to explore different ways to best serve our neighbourhoods. Could you make a difference in our communities? To find out more about the SU4Brum Big Ideas, upcoming conversations and to join the discussion about Standing Up For Birmingham visit:

- www.standingupforbirmingham.wordpress.com
- Twitter: @SU4Brum or #SU4Brum
- Email: SU4Brum@birmingham.gov.uk

