

Responding to the challenge, looking to the future

**A Green Paper from
Birmingham City Council**

October 2014

working
together
for a
fair
prosperous
& democratic
birmingham

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A note on this paper

This document is one of a number of sources of information you can consult:

Detailed green paper

This document: setting out the details of our approach, analysis and initial proposals. This is aimed at stakeholders including partners and specialist media.

Summary green paper

An accompanying much shorter document will summarise this paper in a more publicly accessible style and format. This is aimed at council staff and residents.

Powerpoint slide deck

A slide pack summary presentation of this paper.

Service review webpage

An accompanying web page will link to publications and allow you to access more detail where required. This is aimed at council staff, partners, service users and other stakeholders.

On-line videos, infographics and webinars

Accompanying social media will present the information in an accessible and interactive format, allowing people to question and interact with the issues. This is aimed at council staff, partners, service users and other stakeholders.

1. Leader's introduction

As you will be aware, Birmingham City Council has been dealing with the challenge of significant funding cuts since 2010. As this green paper shows, we have already made over £460m of cuts over that period and we face around £315m or so of cuts before 2018. As cuts continue year after year, it becomes more and more difficult to identify savings without reducing or closing services that are valuable to Birmingham people. Next year's budget (for 2015–16) is proving to be the hardest yet.

I hope that people are now also aware of the reasons why we are having to make such enormous cuts. We face increasing pressure on social care spending, for children and older people and a legacy of equal pay costs, but the main reasons for the scale of this challenge are:

- The Government's decision to cut local government far more than other service areas in its attempt to reduce the national budget deficit. Only welfare benefits have been cut anywhere near as much
- They have then distributed the cuts unfairly, so that the more deprived parts of the country are receiving the biggest reductions in grant.

Faced with this challenge the city council has no choice but to radically change the things it does and how it does them. But, looking to the future, we want to make changes in ways that can improve services and quality of life in the future. Simply 'salami-slicing' our existing services year after year will not achieve that. To rise to the challenge we face we must all, councillors and council staff, take on board the need for big changes and commit to implementing them.

This green paper sets out in more detail our vision for the future of the city council and how we will work with other public services and the businesses and communities of the city. I look forward to receiving your comments on the approach we have set out.

Our detailed budget proposals for next year will be published for formal consultation in December. As explained in this paper, we have approached the process of setting the budget by prioritising services in terms of how they contribute to our core goals: 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.

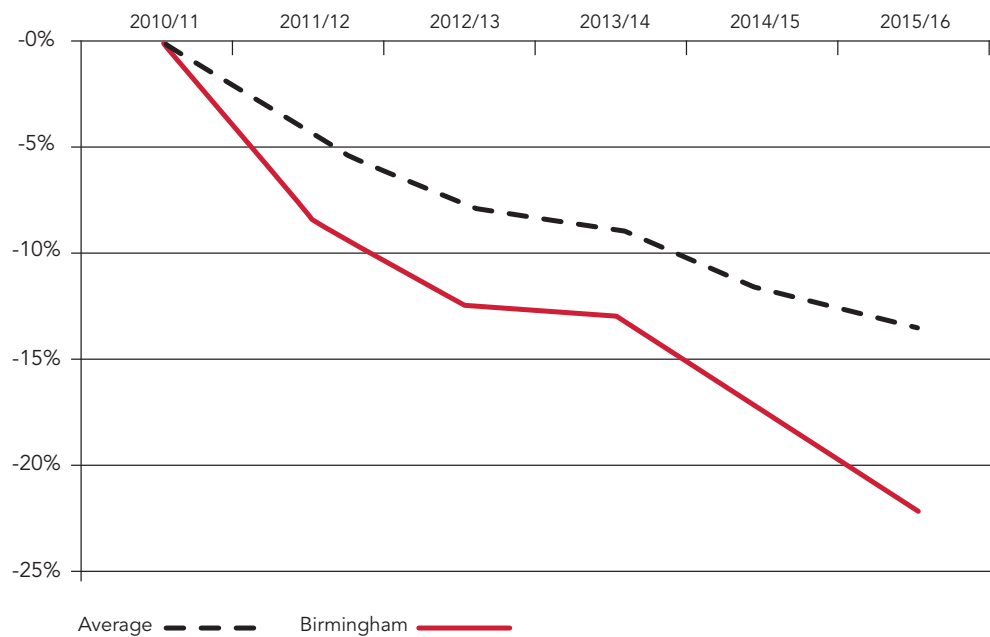


Albert Bore
Leader of the Council

2. The financial challenge

The Government's policy of deficit reduction has led to significant cuts in public spending, which has meant a severe reduction in grant funding for local authorities. The cut in Birmingham's funding is more than faced by many councils because we depend more on Government grant, as illustrated by the reductions in spending power in the diagram on page 4.

Cumulative spending power reductions



The council has already had its Government funding reduced by £265m per year, and the Government has said that we will lose another £105m next year. In fact, although there are signs that the economy is improving, next year will see the highest cut in core Government grant since the current period of austerity began.

Birmingham has asked the Government to spread the impact of cuts in grant funding between councils more fairly, but the Government has decided not to make any changes. We haven't asked for any special treatment but have simply said that the Government should also take into account Council Tax income in deciding who can afford to cope with reductions, and not penalise those councils like Birmingham which rely more on grant funding. If the Government made the changes suggested, the council would need to make £38m less cuts in 2015/16, and £69m less by 2017/18.

The General Election next May means that detailed spending plans have not been set beyond 2015–16. However, based on previous Government announcements and the stated intention of all three main parties to continue with deficit reduction, we expect significant grant cuts to continue over the next three years.

As set out later in this paper, the city council is in the process of making big longer term changes to adjust to reduced funding and changing needs. Our budget proposals later this year will focus on balancing our budget for 2015/16, based on the announcements by the current Government, whilst undertaking the radical redesign work we need to be ready for the possible outcomes – and lobbying national government for the changes we need.

Alongside the grant cuts, there are big pressures to spend more to meet inflation, to pay for increasing demand for services and changes in the law.

Taking these things together, the council expects to have to make savings of about £150m next year. This is after having significantly reduced the figure by repaying borrowing over a longer period. Of that figure, about £50m was planned last year, meaning that about another £100m still needs to be found. These figures may eventually be higher if services need to take action to absorb the impacts of new pressures (including additional pay increases) and, also, if the council has to find additional funding to invest in child protection services.

Even without these extra pressures, the council still expects to have to save at least £770m over the seven years from 2010/11 – 2017/18 (after taking into account new reduced borrowing costs).

We may be able to use some of our reserves to help balance next year's budget, but these are only available once, and so do not provide a permanent solution. In addition, many reserves are earmarked for specific things, and we need to make sure that we have sufficient contingency funding – this is something that our external auditor has repeatedly commented on.

In our financial planning the council has assumed that Council Tax will need to increase by 2% each year, although no final decisions have yet been taken on this. However, important though this is, it doesn't help the council to close the gap by much; a 1% increase in Council Tax gives an extra £2.6m each year.



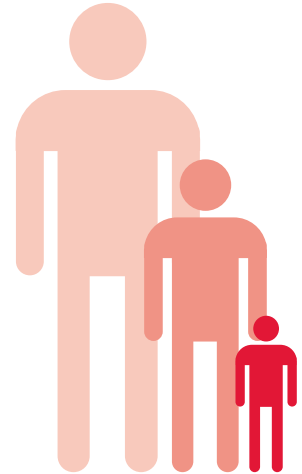
THE KEY MESSAGES

£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

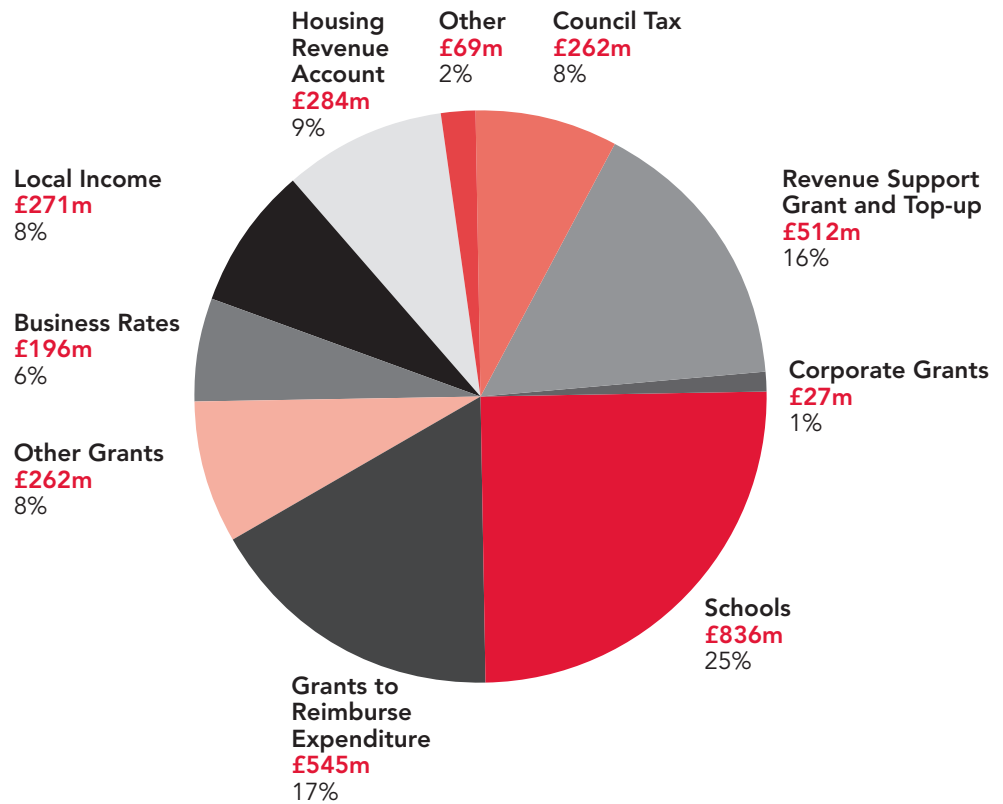


-22%
Reduction for Birmingham

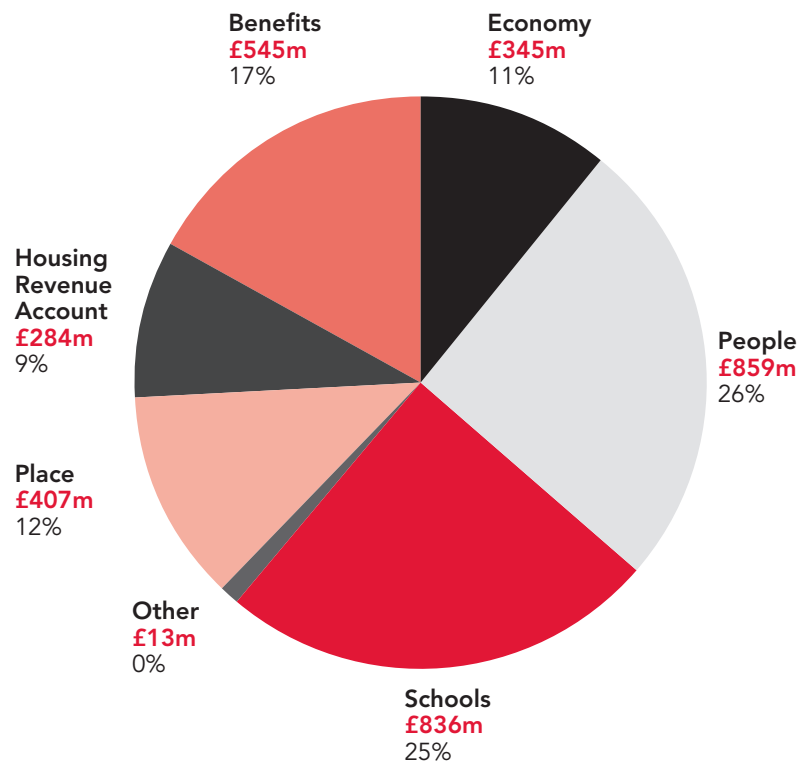
Our spending power has been cut

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.

Where the money comes from



How the money is spent



3. Responding to the challenge: A city council looking to the future

Shaping the future together

Your council is changing fast. The Leader of the Council, Sir Albert Bore, is on record as saying that we are witnessing the end of the local government as we presently know it and that we have to invent a different future for ourselves.

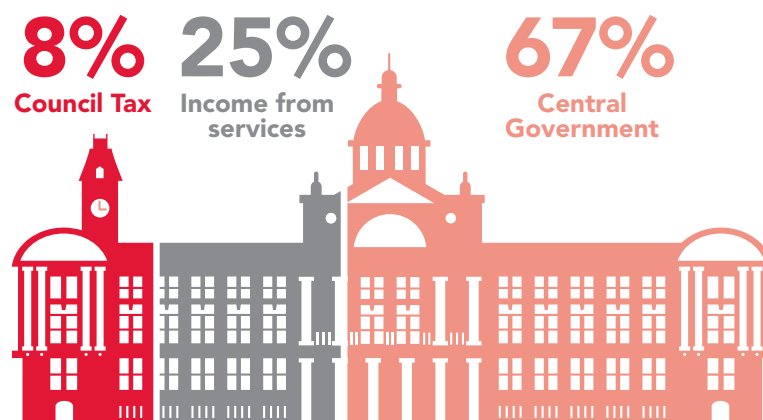
With this in mind, the Leader and the Chief Executive have been conducting an intensive programme of staff engagement sessions entitled Listening Leadership and Big Conversations respectively. Both have the same end in mind: seeking the views of as many employees as possible about the future purpose, functions and form of the organisation.

The discussions have explored a number of important issues that will be critical to the future purpose and success of the council – namely:

- Bearing in mind the priorities of Prosperity, Fairness and Democracy, what are the key **outcomes** that we are seeking to have maximum impact on?
- What are the future **operating models** that are most likely to make the most difference to achieving these outcomes?
- How do we have a new relationship with our residents that encourages and supports **local action by local people** on the issues that most concern and interest them (building on the Standing Up for Birmingham campaign)?

Devolution and reform of public services

England has a very centralised system of government, with most tax revenue going straight to central government before being passed out to fund different public services. This means that local authorities have little control over the public money that is raised and the government decides how most of it is spent. Only 8% of our income comes from the Council Tax and less than a third of our spending is actually under our control, because the rest goes directly to other organisations, such as schools. Even within that third, much of our funding must be spent on services we are legally required to provide.



In common with the other large cities of England we have been arguing for a long time that we need more control over our resources and more freedom to decide how they are spent. The cities should also be in control of many more things currently managed centrally, such as welfare to work programmes and skills training. We argue that locally accountable authorities will deliver better results, more in line with the needs of the local economy and local people.

The evidence shows that cities in other countries with greater freedom from central control tend to perform better economically – they out-perform and drive the national economy rather than under-performing it and dragging it back. This is because they can make local decisions on infrastructure investment, skills, housing and development that reflect the needs of the local economy.

But devolution of funding for public services – and the pooling of funding into what we call ‘whole place’ budgets – is also crucial if we are to maintain decent public services and quality of life in the future. Continuing with the current centralised system and just cutting council budgets will only lead to the closure of many council services and greater costs for other services such as health, education and police.

We have been making some progress with these arguments in recent years, for example the development of “city deals” which have seen a proportion of money allocated to local economic priorities, the switching of some NHS resources to social care and the Troubled Families initiative. All the main parties are committed to a larger single pot of funding for economic functions and to greater devolution of decision making. Following the Scottish referendum debate there is now an opportunity to push these arguments forward and to get a commitment to much more radical action from all the political parties.

Triple devolution

In Birmingham we have developed our own set of proposals for change which we call ‘triple devolution’. This recognises that different functions are best carried out at different geographical levels and that the city council must also devolve power and resources to local areas within the city.

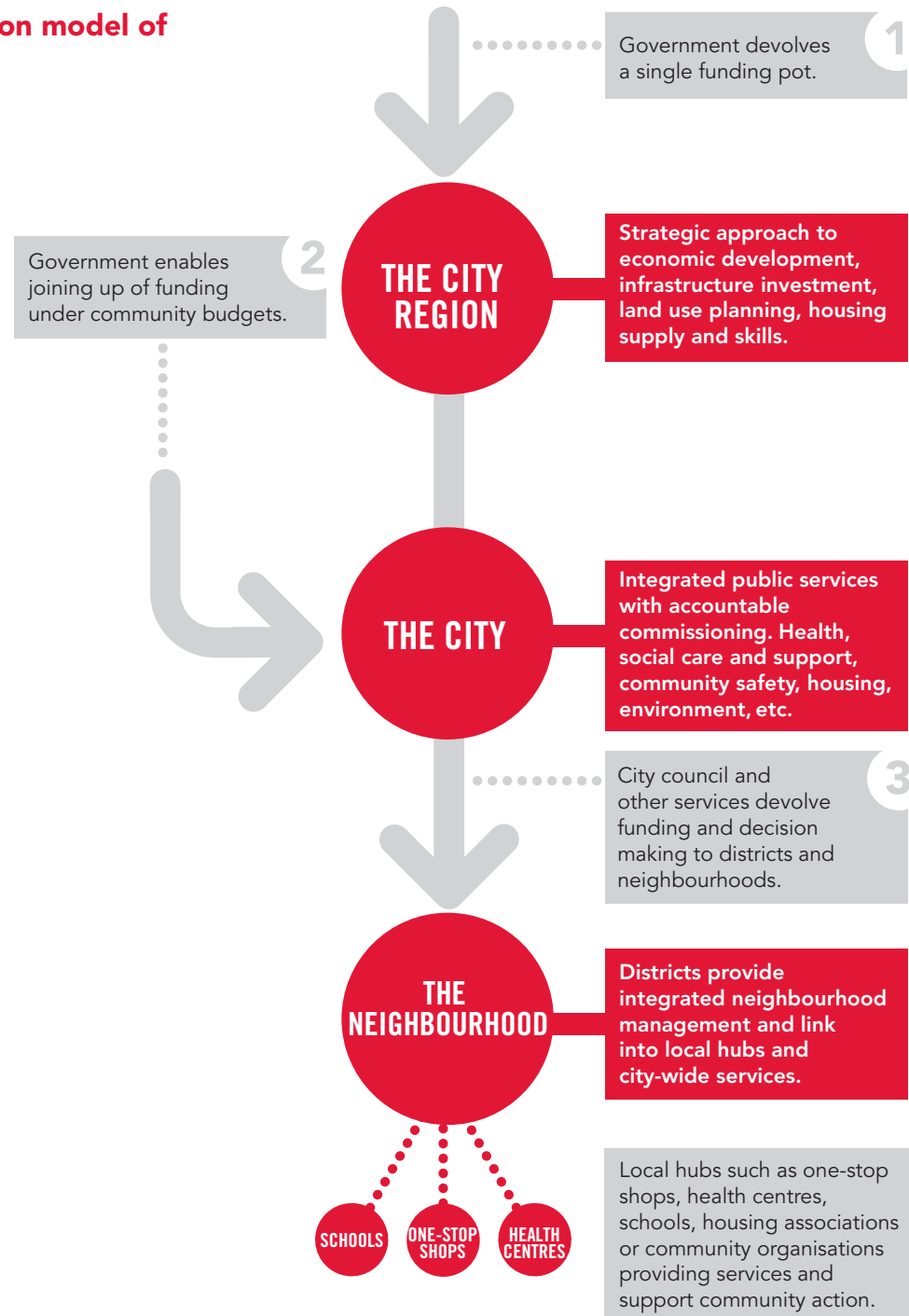
The functions that support the local economy and growth, such as strategic planning, investment in transport, skills, business support and support to inward investment and major developments, are best carried out at a city region level, through working in partnership with our neighbouring councils. At this level we will develop new ways of working together to ensure that we have strong governance and effective support resources in place. We are asking government to devolve significant funding to this level in a ‘single pot’ to support these functions.

The city will remain the best level at which to provide health and social care and education services. Here we are seeking greater local control of a joined up ‘Budget for Birmingham’ that will enable us to work closely with other agencies to provide better support to children, families and older people and improved health and wellbeing for the city as a whole. The city council will

also retain a regulatory role, for example in land use planning, licensing and trading standards and strategic oversight of other local services.

Within Birmingham we have also recognised for some time the importance of moving accountability for services and budgets closer to local communities and service users. We already have the devolved district arrangements put in place a decade ago, but we now need to take this much further and develop new ways of delivering integrated local services that are driven by local communities themselves. We will be taking forward this third level of devolution through our Community Governance Review.

The Triple Devolution model of city government



Cross-cutting themes for change

There are two fundamental changes that the above approach would enable us to bring about at each of the three levels:

1. From acute services to prevention through integration

In order to provide decent public services with fewer resources, we must shift the focus from fixing major problems, which is expensive, to prevention, which is usually cheaper. For example if we do not provide adequate care for older people at home, they will end up spending more time in acute hospital beds, perhaps after suffering an injury. This is putting a tremendous strain on NHS resources. Investing in better care at home will save a lot of money but also improve the quality of life of many older people.

Other examples can be found in most services, such as neighbourhood caretakers to do small housing repairs before they become major problems, working with troubled families to prevent children turning to crime and helping people find work rather than leaving them on benefits.

This change would not just save money, it would improve people's lives. But it can only be done if we get services working more closely together and pool their budgets so that more joined up decision making is possible. Savings in expensive areas must be recycled to the frontline preventative activities that make the savings possible.

2. From services designed by Whitehall to a focus on local priorities

Giving local areas of the country more freedom to design services according to local needs and priorities would mean we can focus on the outcomes we want to achieve, rather than just delivering standard services defined nationally. For example we have decided to rethink our sports and physical activity services, focusing on the outcome of improved health and wellbeing for those most in need. This means we may not continue to provide general leisure services (though private companies may do so) but we will provide health and wellbeing centres in certain areas of the city. We need the flexibility to make such changes in other services.

Major transformation programmes

Within this framework for change, we have identified and started to implement, major transformations to services across the council that could lead to radical improvements in cost-effectiveness in coming years, including:

- **Developing capacity at 'city region' level** for economic development activities – pooling individual councils' resources and jointly commissioning key activities.
- **Integrated working at city level** with key partners, for example jointly funding and planning health and social care services around the needs of people rather than organisations.
- Integrating and clustering activities at local level through **place based management of local services**, ensuring that all local service providers are able to play their full role as part of local 'teams'. This will also involve much greater recognition of the vital role of community organisations, social enterprises and active citizens in caring for local neighbourhoods and others in the community. It will include putting housing at the centre of how we manage local places, with much greater co-ordination between different housing providers and local services.

These changes will require new operating models for the council. The Economy and Place Directorate future operating models are being developed over the next few months, and People Directorate's model will be developed during 2015 as agreed in our safeguarding improvement plans.

4. Our analysis

The 2013 White Paper on our strategic direction

The 2013 White Paper on our strategic direction set out some key principles for BCC's future development:

Efficiency and productivity

Reducing waste and getting more out of the available resources by being clearer about priorities and organising our work better, applying new technologies and using fewer buildings, less transport and energy and so on.

Changing providers

Moving to a private or voluntary sector contractor, co-operative or trust can achieve savings, but the council may still have to fund the service.

Integration

Focusing services on a local area or particular community of service users.

Reducing demand

Includes simply reducing people's entitlement to services, responding earlier to prevent expensive problems arising and working with people and communities to encourage people to make their own contribution.

Stopping the provision of services

Stopping providing certain services or leaving it to commercial providers or charities to deliver them.

The 2014 service review process

As expected, the major reductions in central government grant will almost certainly continue for some time to come. We therefore set up a further series of service reviews this year to refine our plans further and identify further cuts. This year's review process looked at all areas of the council, primarily based on the new three Directorate structure to enable Review Boards to work out the practical implementation of the strategic directions set in the 2013 reviews.

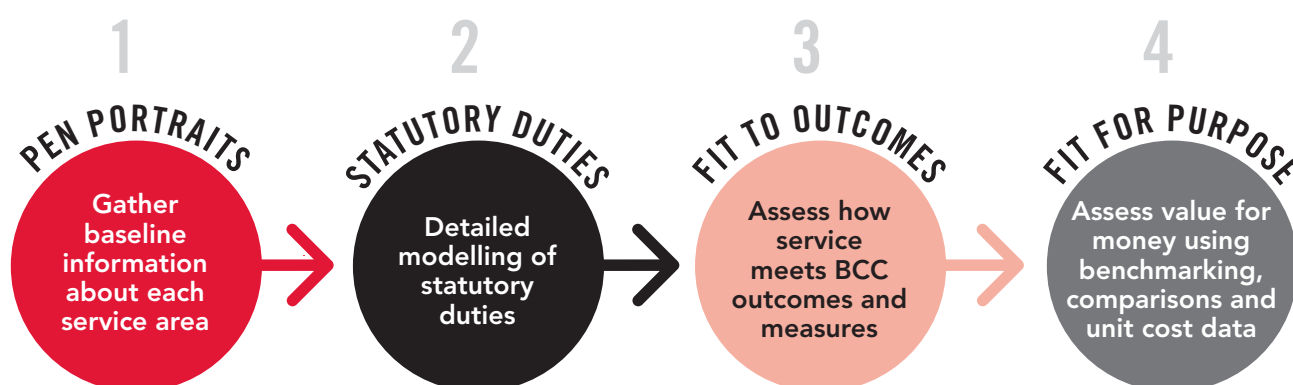
The seven reviews were as follows:

Acronym	Review theme
CSE	Children's Safeguarding and Education
DLS	Devolved Local Services
DSLA	District SLA and Regulatory Services
ECCTS	Externally Contracted and Council-Traded Services
ESTI	Employment Support and Transportation Infrastructure
FSS	Financial and Support Services
HASC	Health and Adult Social Care

Review Boards consisted of around 40 elected councillors, senior officers, and professional advisers from Human Resources, Finance, Legal Services and Equalities. In total over 90 Board meetings were held.

The 2014 service reviews included a four-step analysis phase, following which review Boards considered proposals for cuts and savings developed by service managers.

The analysis phase had four steps as follows:



This section sets out the high level findings from the analysis stage across the reviews.

Our statutory duties

The reviews identified several hundred statutory duties which the council is legally required to meet. Managers were asked to explain in detail their understanding of the specific level of services required to meet these duties. Legal Services commented on this analysis to validate the managers' assessments.

From this information, Review Boards were able to assess the statutory requirements that need to be delivered, and the degree of flexibility we have in how these are delivered. This varied significantly between service areas, for example:

- Children's social care services are predominantly about meeting statutory requirements, and there is only slight flexibility in how these are delivered.
- Library and youth services also have predominantly statutory requirements, but there is much greater flexibility in how these are delivered.

- Adult education and neighbourhood advice are examples of services with little statutory requirements and high flexibility in how they are delivered.

The council has to continue to meet its legal duties. The analysis highlighted areas where we could not legally stop certain parts of some services.

Contribution to our priority outcomes

In addition to our overriding priorities of protecting children and helping to create jobs for Birmingham people, the council's key priorities are set out in the Leader's Policy Statement, within three overarching goals – fairness, prosperity and democracy. For the purposes of this exercise we included an additional criterion that was seen as important in relation to some service areas – 'regional capital and reputation'. The service reviews assessed each service's contribution against the four criteria.

Prioritisation criteria

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.

For the purposes of this green paper, our initial assessment can be summarised by splitting our services into four categories. There were 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.

High priority

Services typically making an essential direct contribution to two or more of the four criteria.

Medium priority

Services typically making an essential direct contribution to at least one of the four criteria.

Lower priority

Services typically making supportive contributions to outcomes.

A very high proportion of our spending goes on services in the higher priority categories.

We want to protect the services that contribute most to the council's priority outcomes. So, we aim to cut these high priority services less than those services which don't contribute as much to the council's outcomes. The financial envelopes set for review boards therefore reflected this assessment.

The Review Boards were set indicative financial targets which reflected the contribution of each service area to the council's priorities. This was based on the total 'score' allocated to each service across the four criteria. There were two exceptions:

- Children's safeguarding services were protected from any cuts
- Corporate support services were all required to make the full contribution to the cuts.

Review Boards' resulting initial proposals took into account both the prioritisation and other issues such as:

- Existing planned budget cuts in the service
- External funding commitments and consequences
- Statutory duties
- Contractual commitments

As a result, the proposed cuts to individual service budgets will not always match their relative priority. Overall, however, higher priority services will be recommended for significantly smaller percentage cuts than lower priority services.

Our current assessments are summarised below.

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		

Assessment of current value for money

The Review Boards were provided with an assessment of the value for money for each service, including three elements as follows:

- An initial corporate assessment was based on available national benchmarking information around costs and performance, using a standard methodology developed by national audit organisations.
- Service managers were invited to provide a commentary on the corporate assessment and any additional evidence.
- Review Boards considered the corporate assessments and manager inputs to reach a consensus on the current relative performance, unit costs and hence value for money being provided by each service.

We usually compare ourselves to the 35 other 'Metropolitan Borough Councils' in England. Sometimes we compare ourselves to other sets of councils, for example the eight large English 'core cities' outside London.

By knowing the current cost-efficiency and value for money of services, Review Boards were able to identify areas where further savings could probably be made from efficiency. A service with very high current unit costs relative to the same service in other cities, other things being equal, could be expected to deliver more savings than one with very low relative costs.

5. Our early thinking

Our service reviews have reached preliminary proposals for savings and also identified some further 'task and finish' reviews which will be completed by December (see the end of this section). **These proposals and further reviews fit within the framework for change outlined in part 3 above.**

This section presents the outline proposals from each review in turn.

Note: Budget figures quoted in the following pages do not include expenditure in schools, the management of council housing, or incurred in making benefit payments. The 'controllable budget' figures exclude expenditure financed by Government grants for specific purposes, which means that the level of expenditure is not directly controllable by the council. Internal transactions are also excluded from these figures (so that the same item of expenditure is not counted twice) and also loan payments.

Children's Safeguarding and Education (CSE)

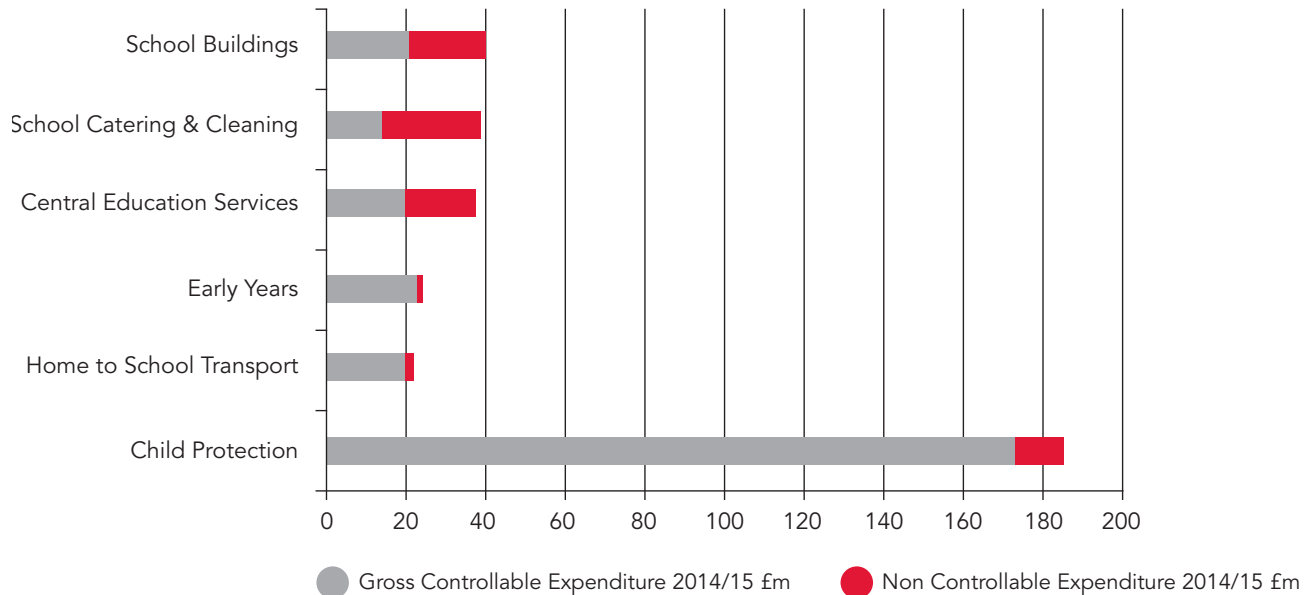
About the review

The Children's Safeguarding and Education Review was divided into six areas:

- Business Support
- Children with Complex Needs
- Commissioning and Brokerage
- Education and Skills
- Integrated Care Services
- Education and Skills Infrastructure.

Reviews of services relating to early years, children's centres and family support and of support to schools took place at the same time. The CSE review covers £347m gross expenditure (excluding Dedicated Schools Grant), of which £269m is directly controllable by the city council.

Children' Safeguarding & Education Review



Safeguarding vulnerable children is the top priority of the city council. We are looking to reverse years of under-funding of this area, at the same time as ensuring the best front-line and managerial practice. We are negotiating with DfE on how the required extra funding can be found. Meanwhile, we are protecting safeguarding services from any budget reductions.

The 2013 service review of 'Safeguarding, supporting and educating young people' established the following direction of travel:

- **Paying for more schools services from the Dedicated Schools Grant:**

This is the first stage of a more radical shift of funding from city council budgets to schools budgets, to the extent that is permitted under the Schools and Early Years Finance regulations.

- **Establishing the Birmingham Education Partnership:** The BEP has now been launched. We will work with this partnership to support collaboration across all schools and partners in Birmingham and set up a trading arm for education services, as part of the review below. This will be in addition to the Services for Education charity already created.

- **A review of children's services:** A comprehensive review of all children's services including social care, safeguarding and education services. This is an on-going process which has engaged all types of organisations in the city concerned with services for children and young people, together with the Children's Commissioner and the Department for Education.

Options being considered by the 2014 review are as follows:

- Discuss with schools the potential to use **innovative financial management** around how schools expenditure is accounted for, without impacting on the day to day spending of schools. These will be discussed in detail with Schools Forum prior to wider engagement.
- **Reduce the City Council funding set aside to support services funded by the Education Services Grant** (e.g. admissions, audit and school improvement) as national government reduces that grant.
- Develop options for the future operating arrangements for the council's **direct services to schools** (catering and cleaning).

Further review work in this area will include **a transformation plan for services for young children and families**, to deliver savings through better outcomes, accompanied by a programme of service closure. The scope will include the role of early years' services, children's centres, nurseries, the Think Family programme, and the opportunities provided by the transfer of health visiting services to the city council.

Health and Adult Social Care (HASC)

About the review

The Health and Adult Social Care Review looked at the services we provide to support those adults in Birmingham who need help to live as independently as they can and be part of their local community.

The review covered the assessment and support planning process, care we provide internally, care commissioned externally and support functions such as business change. It also included Public Health, Housing Strategy, Homelessness and Supporting People services.

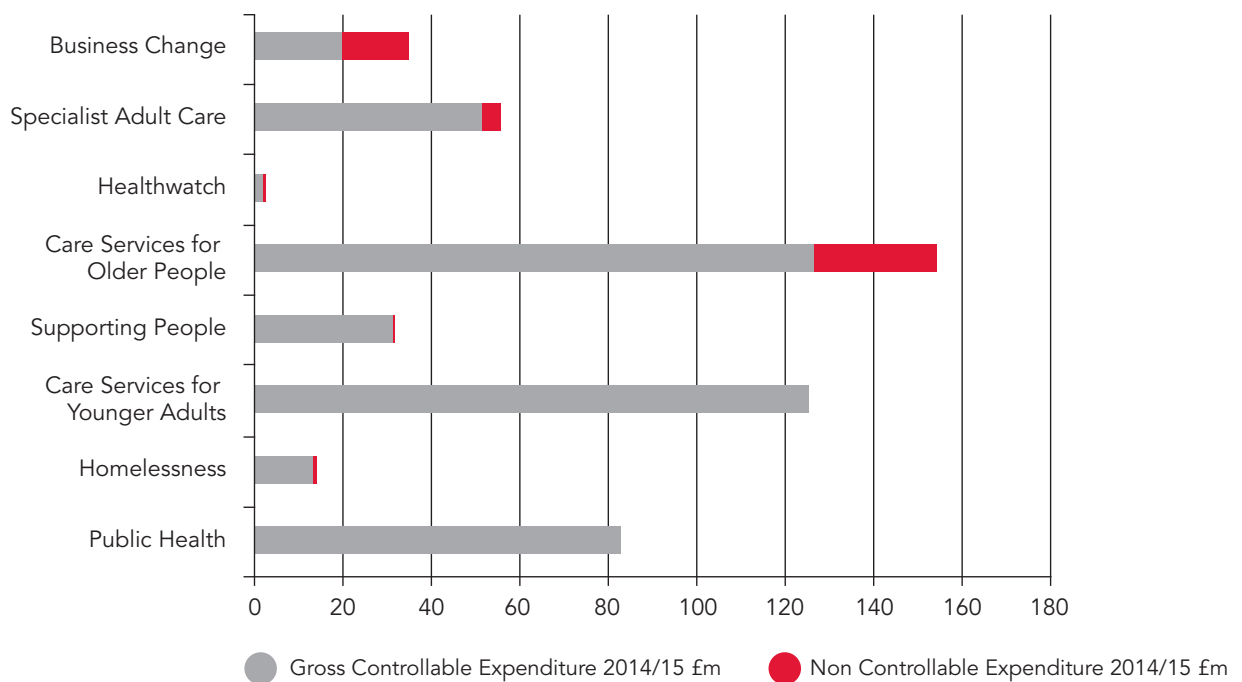
As the services the council provides are just one part of the health and social care 'system', the review was conducted with the bigger picture in mind: how the way we work with the NHS and voluntary and community organisations shapes what services we need to provide and the best way of delivering them.

The HASC review covers £502m gross expenditure, of which £455m is directly controllable by the city council. Many of our responsibilities in this area are closely defined by legislation, including the recent Care Act.

The 2013 service review of adult care services set ambitious targets for cost reduction, with the three younger adult services (physical disabilities, learning disabilities and mental health services) all aiming to match the lowest quartile of Metropolitan Borough Councils in terms of unit costs. These three service areas now have below average unit costs.

Older People's care services costs are relatively low compared to the other seven core cities, and detailed 'open book' independent analysis by KPMG has failed to identify sustainable ways to reduce further these costs whilst meeting our legal duties.

Health & Adult Social Care Service Review



Last year's green paper on these services argued that to reduce spend further would require a concerted effort to reduce demand across the whole system of care services through focusing on preventing the need for expensive and unpopular care options. This is in turn identified that the key to changing demand in care was to accept that the answers lie outside the care system and that we all have to play our part. This was reflected in four themes:

- **Radically changing the way we deliver specialist care services**, such as day centres and home care.
- **Consistency between children's services and adult services** – to ensure a 'whole-life' approach and a more seamless transition from one service to the next.
- **Working more closely with local communities** and recognising the role that we all play in supporting our neighbours, friends and relatives.
- **Integrating and aligning our services with the NHS.**
This has been progressing for some years, but this year will mark the start of a major leap forward towards a joined-up approach.

Options being considered by the 2014 review are as follows:

- Develop **pooled commissioning budgets** around integrated care for older people. The intention is to deflect activity from reactive acute (hospital) and long-term care to more person centred, proactive and preventative activity.
- Exploring the creation of a **Mutually Owned Social Enterprise (MOSE) for our Specialist Care Services (SCS)**, as approved by Cabinet in April. The Review proposed to decommission many of the discretionary services run by SCS and to continue to pursue the MOSE option with the remaining services.
- **Review the use of the Public Health budget** with our NHS partners. In discussion so far with NHS partners the priority is to improve public health outcomes where we are underachieving or where this would dramatically transform public health in the city. There was a shared agreement to target lifestyle services for those in greatest need and those who would benefit the most, including that related to physical activity. Any new investments should be focused on early years, promoting independence in the elderly, especially after a fall and getting people with enduring mental health problems back to work.
- A detailed review of **business support activities** across the People Directorate to deliver cost savings.
- Re-commissioning **preventative services for younger and older adults who do not have 'substantial or critical' needs**. At present, these are often delivered by third sector organisations. This could open up opportunities for co-commissioning with others funding similar activity in the city.
- **Non replacement of current management vacancies** in customer care and continuous improvement teams.
- Reduction in financial support to **Healthwatch Birmingham**.

Further review work in this area includes a fundamental review of our housing offer.

Employment Support and Transport Infrastructure (ESTI)

About the review

The review covered functions which support the growth of Birmingham's economy and employment creation for its residents, and included Regeneration, Employment, Skills and Disability services. It also covered Transportation Services which sets and delivers the transport vision for Birmingham.

In addition, a wide range of other services were considered as part of this review including housing development and culture.

The ESTI review covers £74m of gross expenditure, of which £41m is directly controllable by the city council.

Employment Support and Transportation Infrastructure



The 2013 review on Developing a Successful and Inclusive Economy set the following direction of travel:

- **Increase the proportion of outside funding into services:**
Work with city region partners to take forward the campaign to secure integrated funding for investment, e.g. in our Mobility Action Plan.
- **Develop more 'enterprise services':** As many services as possible should become completely 'self-funding' to ensure that a diversity of services continues to be available.
- **Renegotiate contracts and agreements to reduce costs:**
Seek savings from the Highways PFI contract [note – Highways formed part of the DSLA 2014 review not the ESTI review].
- **Merge functions within the council:** Reduce costs by bringing teams together from across the council.
- **Align services across the city region:** Move towards an integrated city region resource for supporting the economy.
- **Develop new sources of funding for business growth:** Investigating new long-term and sustainable sources of funding by, for example, increasing investment into sector priorities through an expansion of Business Improvement Districts.

The 2014 review considered how we do things now and whether new ways of working in the future will allow us to better manage our services with a reduced budget.

Options being considered by the 2014 review are as follows:

- Economic Development activities to pass to a sub-regional **Joint Economic Delivery Unit** to be established with other councils, Local Economic Partnerships, universities, and others. The city council and partners will then 'commission' this work from the unit as required, in line with available budgets.
- Savings from income generation from external programmes and partners, use of reserves, deletion of vacant posts and management re-structures, and the development of income generation opportunities such as 3D modelling in city centre design.
- **Refocusing employment and skills activity** on youth unemployment and district-led delivery.
- Budget reductions for events and the external marketing of Birmingham.

Proposed further review work in this area includes a review of the future operation of the **Library of Birmingham** and the development of a sustainable model for future funding of arts, culture and events.

Devolved Local Services (DLS) and District Service Level Agreements and Regulatory Services (DSLRA)

About the review

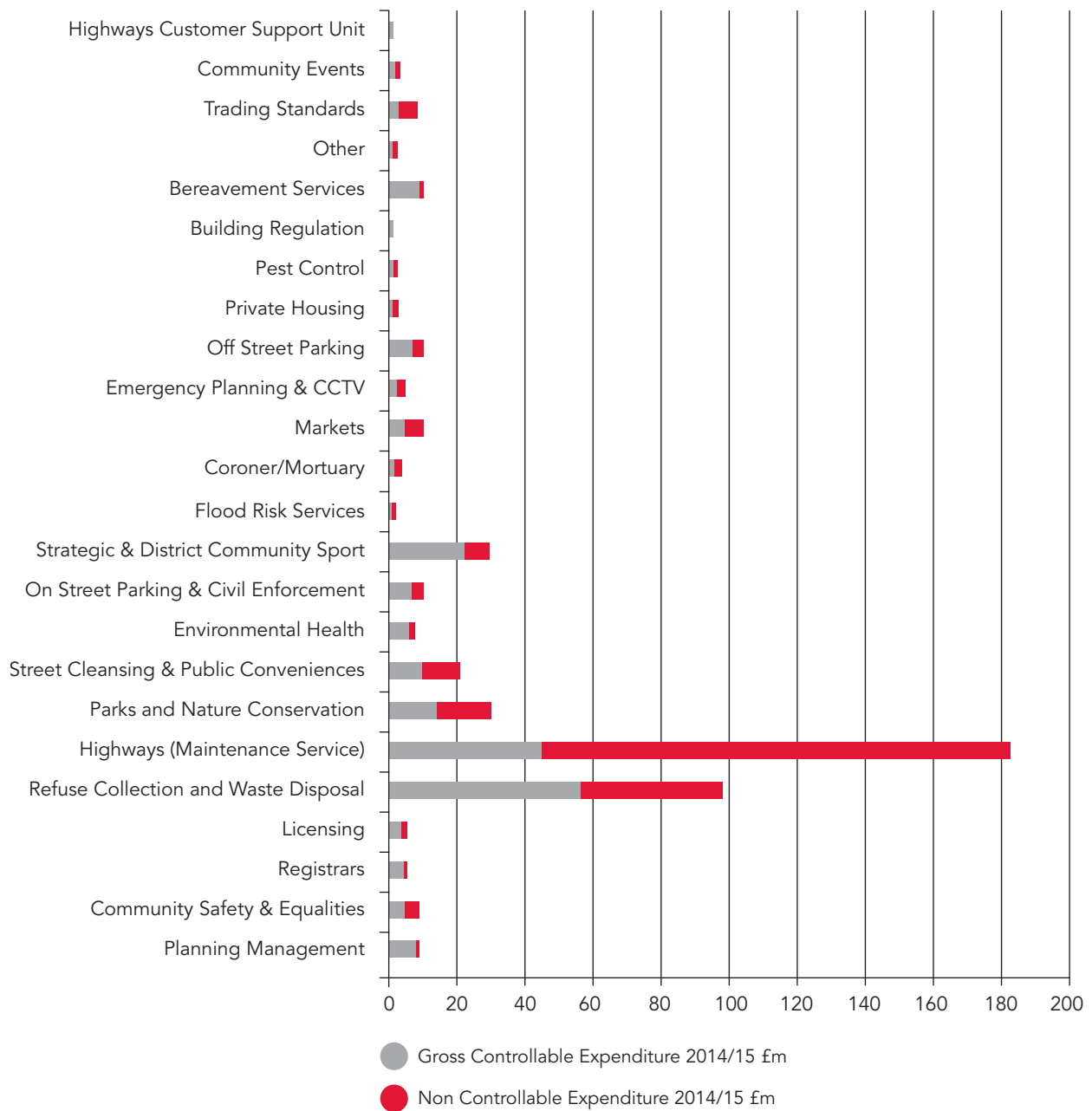
The DLS Review covered the services provided at district level, where local district committees are responsible for decisions and, therefore involved, some Executive Members for Local Services. The review looked at the services we provide to support districts and those devolved to them. This included Community Libraries, Neighbourhood Advice Service, Youth Services, Adult Education, School Crossing Patrols, Council Housing Management and other local services such as Community Chest, District Engineers and Ward Support

The DSLRA review covered the services provided at district level where they have an agreed service level agreement with districts. The review also covered regulatory services provided across the city and, therefore also involved some Executive Members for Local Services. This included Highways Maintenance, On and Off-Street Parking, Sports & Events, Parks & Nature Conservation, Registrar Services, Trading Standards, Environmental Health, Waste and Recycling Services, Bereavement Services & Coroners, Licensing and Private Sector Housing.

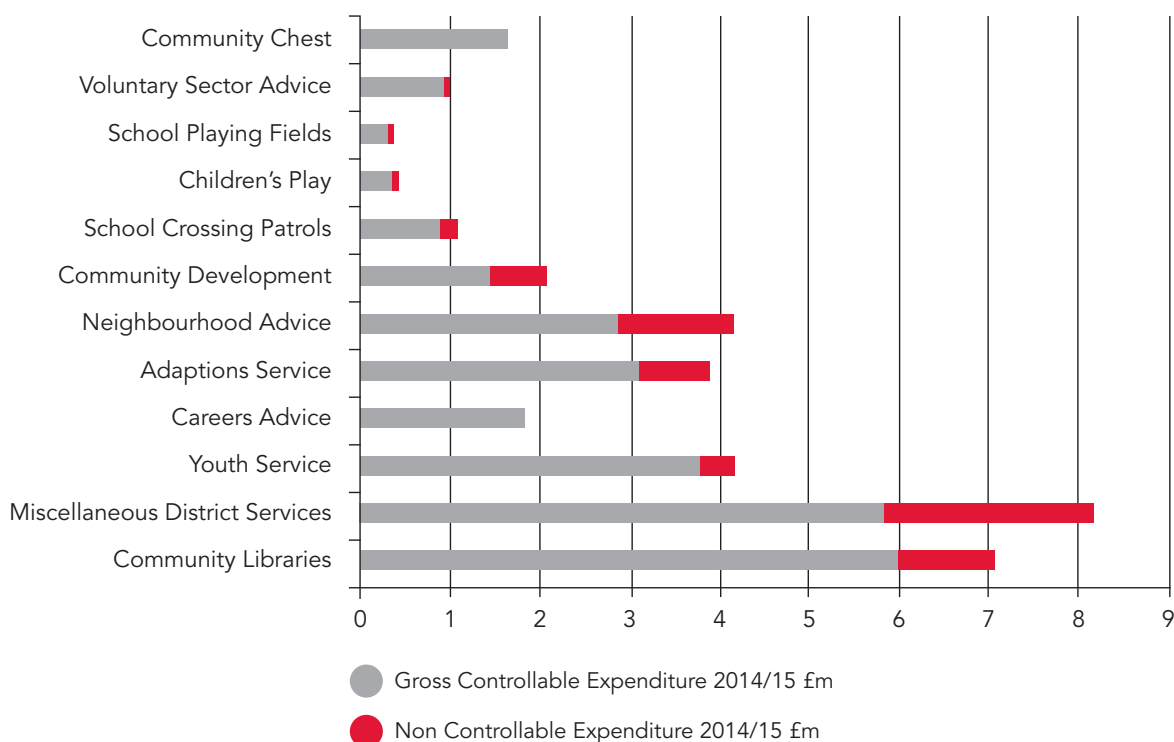
The DLS and DSLRA reviews covered £462m of gross expenditure, of which £221m is directly controllable by the city council.

The reviews noted that many of the 2013 service review actions are still work in progress.

District SLA & Regulatory Services Review



Devolved Local Services Review



The 2013 review of 'Developing Successful and Inclusive Communities' set the following direction of travel:

- **Joined up services and local single points of access:** Services operating near to each other in neighbourhoods should be delivered together.
- **Targeting services:** Providing services where they will make the biggest difference to the end result for people's lives and where no one else provides a similar service or has the same kind of responsibility. Also focusing services on key outcomes, such as literacy in the case of libraries.
- **Prevention:** Moving the focus of services from dealing with problems to preventing them by looking at the reasons why they occur.
- **Alternative providers:** We will be open to alternative providers of local services, including voluntary and community groups and other local agencies or services.
- **Rationalise local land and buildings:** Reduce the number of buildings, increase their use and reduce maintenance and other costs. This was to be reviewed through the LoCal programme.
- **Doing more through the housing service:** Funding more services in areas with a high proportion of council housing through the Housing Revenue Account, subject to the rules of the localised ring fenced HRA.

The 2013 'Well Managed and Resilient City' review agreed the future direction for regulatory services as follows:

- **Increase charges for services:** The review recommended exploring a range of possible charges. These are being explored in line with legal restrictions in some of these areas.
- **New ways to generate income:** The review suggested several innovative ideas. For example, energy recovery from crematoria was explored but proved uneconomic at this time since it has a very long payback period. Web streaming registry office ceremonies was also explored, although at this time costs appear higher than anticipated additional revenue. Other opportunities are still being explored including putting the index of births, deaths and marriages on line; greater use of controlled parking zones, and the use of 'proceeds of crime' monies.
- **Ask central government to remove fixed fees and reduce 'new burdens':** Many fees are currently fixed so we cannot change them to suit local circumstances. Government often introduces new legal requirements without giving us more resources, although we are working with the Local Government Association to highlight these issues.
- **Review service locations:** This review includes the investigating changes to the locations of licensing and environmental service offices, the Coroner Service and the Registration Service.
- **Transfer services to external providers:** exploration of the costs and benefits of a potential change of provider.

The 2013 review of 'safe, clean and green neighbourhoods' set the following direction:

- **Raise awareness about making the city cleaner and recycling:** Awareness raising with residents and businesses about their responsibility to reduce the cost of cleaning up the city and the importance of recycling. Continue to develop Street Champion programme.
- **Outsource services:** Public feedback was mixed around outsourcing proposals. The review also recommended developing local community networks to maintain public rights of way.
- **Increase charges:** Proposals for increased charges included those around bulky waste collection and pest control.
- **Improve efficiency:** Amending charging policy and reviewing crew numbers in the trade refuse service; maximising additional revenue and incinerator capacity; organising street cleaning teams on a district and depot basis to increase flexibility.
- **Review staff terms and conditions:** Ensure that changing circumstances are reflected in terms and conditions that are fair to all city council staff as well as value for money within these services.

- **Service reductions:** A further reduction in street cleaning levels was proposed, although this has subsequently been reviewed.

The 2014 service review proposals delegate to District Committees the detailed determination of changes to be made in their area, within a given budget allocation and set of citywide frameworks.

Options being considered for the citywide framework include:

- A new **'Youth Offer'** to enable all young people in Birmingham to access appropriate advice and guidance, with a guaranteed offer of employment, training or education.
- **Join neighbourhood and housing advice** (and other) services into joint centres providing a wider range of support to local residents.
- A small set of **minimum standards** that apply to all Districts, for example for library services and parks.
- Subject to discussions with schools, operating the schools crossing patrol service on a traded basis, with schools able to determine their requirements in the light of local needs.
- Maintain the staffing expertise to help and support community events, but reducing the citywide financial support to these events.

Following this service review there will be a fundamental review of 'place management' and the future operating model for the Place Directorate to be completed during 2015. This will include an integrated and coordinated approach across all relevant Place functions, relevant functions from Economy and People, relevant partner input and greater co-production and citizen input into the stewardship of our neighbourhoods.

Financial and Support Services (FSS)

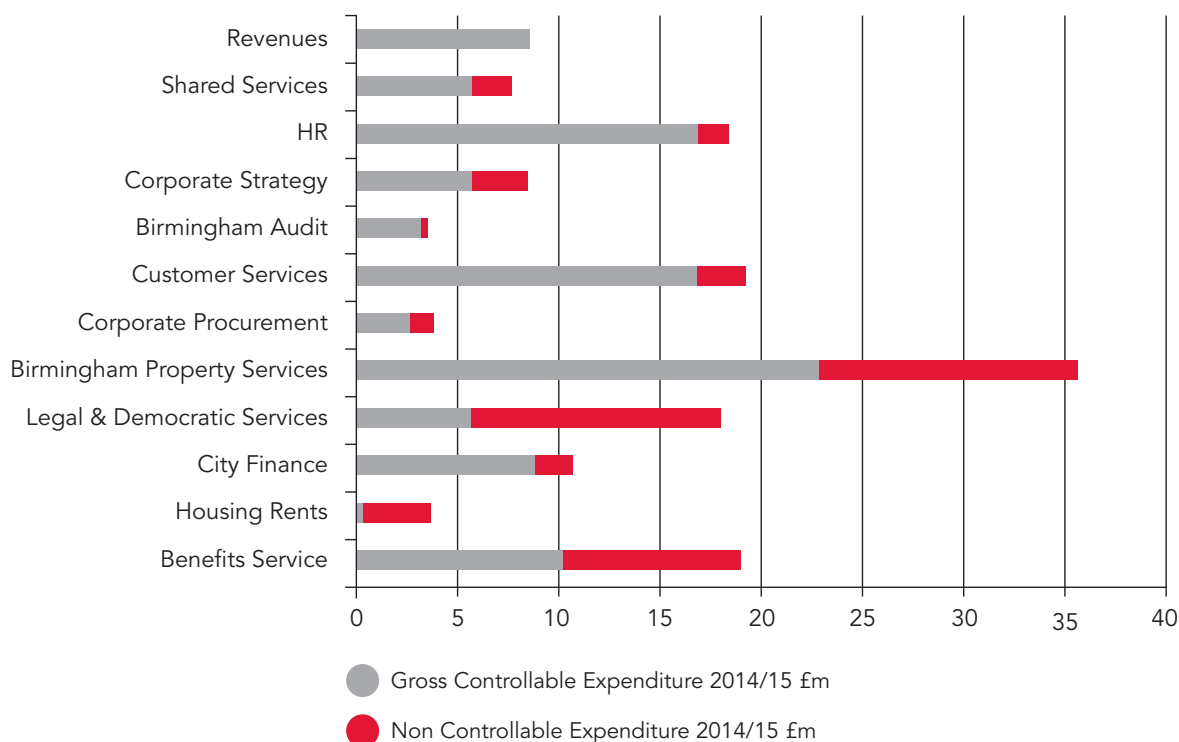
About the review

This review covered the support services which help the council run. The areas range from Shared Services – which handles mail, scanning and large volumes of transactional processes such as paying supplier invoices – to City Finance which provides the business and financial analysis, planning and controls to manage the council's budget, and produces its accounts and other financial information.

It looked across all support areas to identify opportunities for new ways of working that will allow budgets to be reduced whilst providing the council's staff and services with essential support.

The review covered £160m of gross expenditure (excluding benefits expenditure), of which £112m is directly controllable by the city council.

Financial & Support Services Review



The 2013 Support Services review established the following direction of travel:

- **Transfer some services outside BCC:** Reviewing the future management of support services such as civic catering, building cleaning and services management.
- **Create consolidated Administrative Support Services functions:** Administrative support will be co-ordinated across the council and staff numbers reduced. In practice, this support is being organised on a Directorate basis.
- **Improve customer services:** Complete an existing contact centre affordability project, sell advertising on the council website, establish clearer funding for the website, update the customer services strategy and strengthen the role of customer services across the organisation.
- **Use better evidence and information in decision making:** Co-ordinate research and information activities and create a central team.

The 2014 review took a transformational approach, initially focused at the highest cost functions (HR, legal, finance, customer services and property) to develop more integrated, efficient and cost effective models of delivery. The FSS review identified cuts of 30% in the council's corporate support services such as legal, financial and HR services over the next three years. This is in line with the average cut that may have to be applied to front-line services.

Options being considered by the 2014 review are as follows:

- Staffing and management reductions in corporate services, together with the use of reserves and efficiency savings (e.g. moving the contact centre into cheaper premises, and centralising communications budgets).
- Greater manager 'self-service', for example around personnel issues, to reduce the need for central support staff, e.g. in Human Resources.

Further reviews to be carried out in this area will include:

1. **Designing the future BCC 'Business Services Hub'** to meet the anticipated needs of the council in 2018.
2. Developing a council-wide plan to **rebalance the profile of the council's workforce**, including appropriate use of apprenticeship and graduate programmes in each Directorate.

Externally Contracted and Council-Traded Services (ECCTS)

About the review

This review covered the council's trading activities, strategy for commissioning and the major contracts which we hold, and the fees and charges made.

The review looked to ensure that:

- The council is achieving income maximisation with the cost of services at least being recovered unless there are circumstances or a council policy that prevent this. Our Charging Policy recognises the potential conflicts between raising income and promoting access and usage of services, particularly by vulnerable groups on low incomes.
- The council uses its existing and any potential new trading operations and commercial interests to deliver the council's service and financial objectives.
- Commissioning services to determine the best approach to deliver successful outcomes for citizens of Birmingham.

The ECCTS review options being considered include:

- A more robust and systematic corporate approach to trading functions, with 'stretching' management targets for financial contributions to BCC.
- Improve 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

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 resident satisfaction with street cleanliness and refuse collection services whilst delivering quantified 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 quantify 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.

6. How you can help

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.

Deadline for comments

We welcome your comments on this green paper up until the publication of the white paper, which will set out our detailed budget proposals, in early December.

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

