

# BIRMINGHAM CITY COUNCIL SERVICE REVIEWS

## GREEN PAPER: A WELL MANAGED AND RESILIENT CITY

### INTRODUCTION

Birmingham City Council is facing a big challenge, having to cut the budget we can control by half over seven years. In the past we have often made changes to improve our services and get better value for money. But we now face cuts in government funding on a scale that has never been seen before.

We will need to make big changes to balance the books in the years ahead. These changes will have an impact on everyone in the city, so we want to discuss them with you before going ahead.

The key question we are seeking to answer is:

**How can we continue to provide essential services to residents and guide the city through such difficult times, whilst supporting greater fairness and future prosperity?**

We will need to be clearer on our priorities and ensure that we only spend money on things that support those priorities. We will need to develop new structures and ways of working with services such as the NHS. And we will need to work with the people of Birmingham to get maximum value from all the resources available to the city.

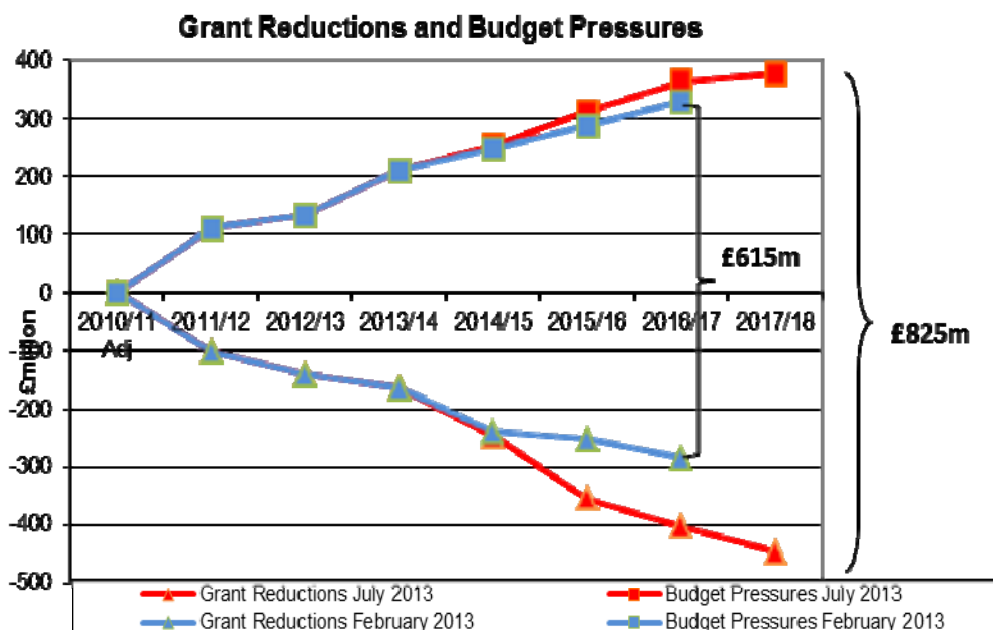
To do this we have begun a detailed programme of reviews looking at all our services and how the council works overall. This has never been done before on this scale and it might well lead to fundamental change in how services are provided and how key priorities are delivered.

### THE BUDGET NUMBERS

The Government's programme to cut public spending has meant a severe reduction in local authority funding. At the same time, there are big pressures to spend more to meet inflation, the changing population and the demands that arise from changes in the law and so on.

If we are to respond to this in time we must plan ahead and work out what the funding situation will be over the next three to five years. Our latest forecast is shown in the graph overleaf. As you can see the position has become much worse since the council set its budget in February this year. Even so this may still need to be updated further following future government announcements.

The Council faces huge cuts in its grants from Government and increases in demand.



Source: Birmingham City Council, Corporate Resources Directorate, July 2013

The Council has already made significant savings in recent years, for example £275m has been saved in the last two financial years, with the non-school workforce reduced by 27% since April 2010. But despite this we still need to save at least a further £450m by 2017-18, in addition to over £100m of savings in the current financial year.

The total estimated saving of £825m is about two thirds of the funding in 2010-11 that we had any choice over how to spend (what we call the “controllable budget”). Because of this combination of grant cuts and spending pressures we may not be able to deliver some of the services we now offer and it is likely to become more and more difficult to deliver those services that we are required to provide to an appropriate quality, unless we change the way that we do things.

Focusing on the next two years in the first instance, for which information is more certain, this is likely to mean that we need to find further reductions on average across our services of 25% of the “controllable budget”.

## BACKGROUND TO THIS REVIEW

This Service Review covers services which **support the proper regulation of commercial and social life in the city**. The services covered and their responsibilities are set out overleaf. Currently, they have a combined gross expenditure of £35.2m. Many of them generate some form of income. Taking this into account makes a net expenditure of £4.8m.

Most of these services are required by law. Others we have chosen to deliver due to the benefits they bring to Birmingham citizens. The current financial situation means that we cannot continue to deliver services in the same way and we may need to stop delivering certain things.

*Overview of the Services in this review*

Bereavement Services	Manage and maintain Birmingham's three crematoria and eleven cemeteries.
Mortuary/ Coroner's Office	Conduct enquiries into the cause and circumstance of deaths and co-ordinate post-mortem examinations.
Registrar's Office	Register births, deaths, marriages and civil partnerships, conduct citizenship ceremonies, provide nationality checking and register buildings for worship and for marriage and civil partnership ceremonies.
Licensing	Grant, administer and enforce compliance with entertainment, taxi and private hire licenses.
Traffic Management and Regulation	Manage traffic issues including congestion, speed limits, signs, road closures and Traffic Regulations Orders (such as controlled parking, one way streets and bus/cycle lanes).
On Street Parking and Enforcement	Manage on-street parking schemes and issue and process Penalty Charge Notices.
Trading Standards	Enforce the laws that govern the sale and supply of goods and services, including protecting consumers against unsafe goods, unfair trading, counterfeit goods, underage sales, fraud, false/misleading pricing and inaccurate weights and measures.
Environmental Health	Provide services and enforce compliance with regulations that protect public health, including hygiene in food shops, pest control, food poisoning outbreaks, fly tipping, stray dogs, dog fouling, contaminated land and noise nuisance.
Birmingham City Laboratory (BCL)	Provide testing, surveys and advice for BCC and some external clients on issues such as asbestos, structural safety, food safety and alcohol/ drug testing for post-mortem examinations.
Emergency Planning (incl. Control Centre/ CCTV)	Plan and deliver Birmingham's 24/7 emergency response to natural events, major accidents and malicious attacks including monitoring CCTV coverage of highways and public places.
Planning Administration and Management and Local Land Charges	Determine and enforce Householder planning applications. Conduct Local Authority searches when properties change hands and searches of the Land Charges Register to research property ownership.

## THE INITIAL PROPOSALS ARISING FROM THE REVIEW

The review recommends that most of these services become self-financing within three years or sooner where possible.

But there are some services that have very limited or no scope to generate income. These services, including Trading Standards, Environmental Health and Emergency Planning are essential, but will always be a cost to the council.

Recognising the nature of the services covered by the review, the potential savings identified by the review are:

Service (All figures are £,000s)	Gross Expenditure & Capital Costs 2013/14	Income, Grants and Recharges 2013/14	Net Expenditure 2013/14 (surplus)	Potential savings Quantified 2016/17
Bereavement Services, Mortuary and Coroners	7,842	(7,289)	553	277
Reg. Births, Deaths & Marriages	2,906	(2,071)	835	418
Licensing	2,956	(2,743)	213	213
Traffic Management and Regulation	1,002	(1,095)	(93)	0
Parking	7,303	(11,892)	(4,589)*	0
Trading Standards	2,589	(172)	2,417	242
Environmental Health	4,101	(680)	3,421	342
Birmingham City Laboratory	2,126	(2,552)	(425)	0
Resilience (Emergency Planning / CCTV/ Control Centre)	2,442	(984)	1,458	146
Planning Administration, Planning Management and Local Land Charges ( <i>only show salary costs and direct income for teams in scope</i> )	1,925	(878)	1,047	105
<b>Total</b>	<b>35,192</b>	<b>(30,356)</b>	<b>4,836</b>	<b>1,743</b>

\*The council spends *well in excess* of this figure on highways and transport.

These potential savings will be achieved largely through increases in charges. The changes identified below will provide further savings but these have not yet been quantified.

### 1. Increase the charges we make for services.

We regularly review fees and charges, but in light of the current financial position the review felt we should consider the detailed implications of:

- An administration fee for invalid or withdrawn planning applications
- Increasing the fee for our “key holding service” (holding keys to enable access to buildings in emergency situations, e.g. schools) and increasing the number of external customers we have
- Increasing charges for Emergency Traffic Regulation Notices and Orders to reflect the increased workload these cause
- Increasing charges for entertainment licenses (note that this would need to be justified on the basis of increasing administration and enforcement costs)
- Higher charges for inspections of older vehicles being used as taxis to incentivise the use of newer vehicles.

## 2. Consider new ways to generate income

The Council doesn't exist to make money, but the potential for commercial activity is an almost natural by-product of some of the other things we do. We think we should pursue these in order to fund the services we have to deliver. Specific ideas we will explore are:

- **Energy recovery from our crematoria.** It is necessary to cool gases emitted by crematoria so that harmful mercury is not released into the environment. It is possible to recover the energy and feed it into the electricity grid or use it to heat public buildings in the vicinity. For example, in Redditch they use energy recovery to offset heating costs at one of their leisure centres.
- **Web-streaming Register Office ceremonies.** This would enable guests to join ceremonies from a distance and could generate a small income stream.
- **Putting indexes of births, deaths and marriages on line.** This could generate income from genealogy research.
- **Seek opportunities to ‘sell’ Birmingham’s expertise to other councils.** Birmingham City Council is a recognised national expert in several fields and we employ specialists that smaller councils cannot. There could be an opportunity to sell expertise in Trading Standards and Environmental Health to other councils and possibly our parking enforcement contract and internal CCTV monitoring service. We could also employ more staff at Birmingham City Laboratories to give scope to take on more external customers, currently providing less than 30% of the income of city council services.
- **Passing planning enforcement investigation costs on to those who breach planning consent.** Our approach to enforcement is to negotiate a solution (for example where someone has built without permission). Where this isn't possible and there has been a serious breach of planning laws, we prosecute and can recover some of the costs. But it still costs us a lot of money to negotiate solutions and we could pass some of this cost on to the person in breach of regulations. One option is charging an up-front

administration fee when planning consent is secured that will be returned later if there have been no upheld complaints about the works or development.

- **Create additional controlled parking zones.** This could improve traffic flow and generate a small income to support other highways improvement projects.
- **Invest more in work to recover the proceeds of crime.** We currently employ one officer who works to confiscate money and assets from offenders, to prevent them from benefiting from their crimes. Proceeds from this have to be reinvested into the criminal justice system, but the Council can retain a third, to cover the cost of investigation and to invest in crime prevention activity. We think we should consider employing a further officer so that more of our crime prevention activities can be financed from “proceeds of crime”.

### **3. Ask central government to re-consider fixed fees and new work they ask us to do without new funding**

Two of the services covered by this review are affected by recent legislation that could increase the cost of delivering the service:

- The planning service, due to changes to permitted development rights (the types of development that are allowed without having to submit a planning application)
- The coroner service, due to a new role of Medical Examiner the Council will need to fulfil.

We plan to submit ‘New Burden’ applications on these changes. This will challenge whether the Government can require us to provide new services without providing more funding.

Fees for several of the services are fixed by Government. Many of these have not been increased for some time, including planning application fees and register office fees. This means that the fee we are able to charge does not reflect the cost of delivering the service. We plan to lobby Government to allow us more flexibility in setting fees.

### **4. Review locations from which services are provided**

This Review has identified a number of areas in which we could rationalise our properties:

- The Licensing service and Environmental Health service both operate from privately owned premises, rather than council premises.
- The Coroner Service is currently based in the City Centre, near the Children’s Hospital and Magistrate’s Courts. We think we should explore selling this land and creating a purpose built Medico/Legal centre, perhaps on the Queen Elizabeth or Heartlands Hospital site, as this would give scope to enhance the service and release equity.

- The Registration Service currently operates from the Register Office and a single 'outstation' office situated in the Sutton Library complex. We think we should look at options to co-locate births and deaths registration with the NHS at one or more hospital sites. While the review is taking place we think we should concentrate the service at the main Register Office.

## **5. Make our services as efficient as possible including buying in functions from outside providers where this is more cost effective**

In particular we should consider:

- Creating a multi-function enforcement service that covers Licensing, Environmental Health, Trading Standards and Car-Parking, rather than the separate teams we currently operate
- Commissioning certain services from other providers – in particular the licensing function, the Coroner and Mortuary support service and Birmingham City Laboratories
- Conducting more transactions on line rather than in person
- Additional on line advice and guidance to make people more aware of what is and isn't acceptable in areas of regulation such as planning. This might reduce the volume of unnecessary investigations
- More flexible operation of Cemeteries and Crematoria to meet the current and future needs of citizens whose cultures require burials to be undertaken as soon as possible after death.

## **KEY QUESTIONS**

### **Should we increase our current charges?**

Where there is scope to increase what we charge for services, should we? Specifically, what do you think of the fee increases suggested above?

### **Should we or could we increase income?**

We think we should pursue income wherever appropriate in order to fund the services we have to deliver. Do you agree? What do you think of income generating ideas presented above? Are there any other ways in which these services could generate income?

### **How can we encourage people to behave in ways that mean we don't have to spend so much on enforcing regulations?**

A lot of the work we do in Trading Standards, Environmental Health, Licensing and Planning is due to people doing things they shouldn't or not doing things they should. For example:

- Building without planning permission, or outside of the permission they have

- Ignoring food hygiene or health and safety standards, littering, fly-tipping, contaminating the air or land, allowing dogs to foul, mistreating animals, creating a noise nuisance
- Trading in a way that is fraudulent, unfair or unsafe
- Operating taxis that are not in a safe and roadworthy condition or illegally “plying for hire”
- Operating outside of the hours they are permitted to or failing to comply with other terms of their license.

Is it realistic for people to change their behaviour? If so, what can we do to support this?

**Should we choose to do less enforcement? (e.g. relating to Planning, Trading Standards, Environmental Health)**

Would you be affected if we chose to do less enforcement? What, if any regulations would you be happy for us to stop enforcing or not enforce so actively? See examples above.

**THE DIALOGUE**

The first round of this dialogue will continue through September 2013. Following that there will be a formal budget consultation for 2014-15 – that will be a separate exercise which we are legally required to carry out.

All the information you need will be posted at:

<http://www.birmingham.gov.uk/servicereviews>

You will be able to take part in the dialogue by:

- Sending your comments by post or email
- Submitting comments on Facebook and via Twitter
- Attending the next meeting of your Ward Committee

Details for all these are on the web site.

In addition we will be holding discussion sessions on specific services with groups of service users and other interested people. We have also engaged the permanent People’s Panel during the summer. Our scrutiny committees will be looking in detail at aspects of the education and adult social care reviews.

If you are part of the network of people and organisations involved in our social inclusion process, led by the Bishop of Birmingham, you will also be able to join in discussion of how we can limit the impact of cuts on social exclusion and inequality.

City Council staff will also be encouraged to join in the debate.