

BUSINESS PLAN AND BUDGET 2012+

PUBLIC CONSULTATION

INTRODUCTION BY THE CHIEF EXECUTIVE

Birmingham City Council produced a medium term business plan and budget in March 2011 in the face of unprecedented financial challenges. Birmingham's required contribution to reducing the deficit in the national public finances resulted in the need to make savings of £350m over a four year period, of which £213m had to be achieved in the first year. The Council has faced this challenge head on.

However, some important things have changed since then. The biggest of these was the legal judgement that has prevented us implementing proposals to change the eligibility criteria for adult social care services without further consultation. This would have produced savings which would have eventually resulted in £69m per year.

The Administration has thought very carefully about that judgement and is not now proposing to reduce eligibility criteria for vulnerable adults.

That means that we have had to seek more savings across all directorates of the Council; £65m of new savings will be needed in 2012/13. This needs to be seen in the context of big savings that have already been achieved to date, especially in back office costs.

Finding ways of making these savings will involve some difficult decisions. This consultation paper sets out a range of new savings options, and we would like to know your views on these.

For completeness, we have also summarised some other potential savings which have been put forward for consideration but which the Administration does not propose to implement.

This document is not the only way in which we are consulting Birmingham people. Further information will be on the Council's website, there will be public meetings and there will be an opportunity to complete a survey. Individual directorates will also be consulting service users on the detail of specific savings options.

The decisions the Council has to take affect all Birmingham residents. Councillors want to know what you think about the choices they have to make.

Your opinions matter to us and we are very grateful to everyone who takes the time and trouble to contribute.

Stephen Hughes
Chief Executive

CONTENTS

	Page
Financial background	3
What are the savings options	10
Responding to the consultation	12
Appendix – Savings proposals	
- Adults & Communities	13
- Children, Young People & Families	17
- Corporate Resources	20
- Development	22
- Environment & Culture	24
- Homes & Neighbourhoods	28

FINANCIAL BACKGROUND

1. National Context

You will be aware that the Government has set as a high priority reducing the national budget deficit over the life of this parliament. The national Spending Review 2010 introduced significant cuts in public spending. However, it gave protection to the NHS and schools, which meant that the funding available to other local government services reduced significantly for 2011/12 and continues to do so for the next three years. Planned local government funding by central government falls by 20% in cash terms over the four year period, equivalent to a reduction of 28% taking into account expected inflation.

2. Birmingham's Budget

Taking account of a range of cost increases and investment in key services, we calculated last year that the final savings figure needed by 2014/15 was £350m, of which £213m was in the first year (2011/12).

Where the money comes from

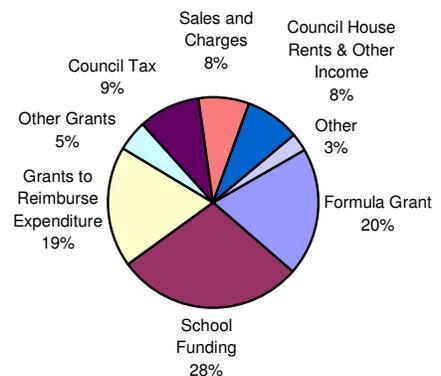
The majority of Birmingham City Council's income comes from central government, with less than 10p in the £1 from local Council Tax payers. The Council is therefore heavily affected by any reductions in these grants.

Graph 1: Sources of income for Birmingham City Council (BCC)

Most of BCC's income comes from central government grants

Where the money comes from

Source	2011/12 £m
Formula Grant	691
School Funding	1,014
Grants to Reimburse Expenditure	660
Other Grants	163
Council Tax	332
Sales and Charges	275
Council House Rents & Other Income	295
Other	97
Total	3,527



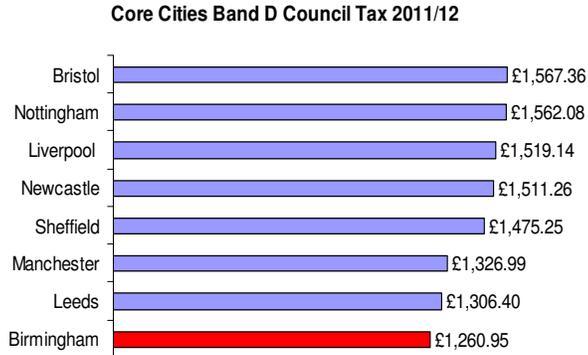
Council Tax

The City Council collects £332m in Council Tax each year. We have minimised increases in Council Tax levels, so that we now have the lowest Council Tax rates of the eight biggest city councils.

In Birmingham, total Council Tax is around £200 per property a year lower than the other major cities' average, equivalent to around £60m a year in total - money now left in residents' own hands.

Graph 2: Council Tax levels in Birmingham

BCC has kept Council Tax low compared to other big cities



We are conscious of the need to take account of the impact that increases in Council Tax have on people's personal finances. We plan to take advantage of a one-off extra Government grant in 2012/13 so that we can freeze the level of Council Tax for the second year running. This grant is worth the equivalent of a 2.5% Council Tax increase, so any increase of less than that will result in the Council losing money. We expect that the Government will, once again, set a maximum increase which may not be exceeded; last year this maximum increase was 3.5%. You should bear in mind the fact that an increase at this maximum level would mean a decrease in the level of savings required of only about £3.3m.

We would welcome your views on the proposal to freeze the level of Council Tax again in 2012/13

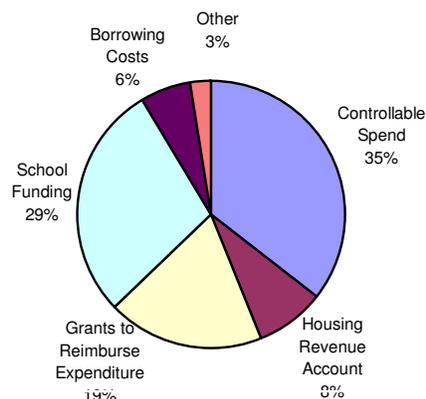
How the money is spent

Birmingham City Council spends around £3,527m each year. The Council does not have full freedom to decide how to spend all of this money because much of it is given by central government as "ring-fenced" grants or has other legal constraints. This means, for example, that certain funds can only be spent on schools, on benefits payments, or on council housing. These constrained areas account for 65% of the Council's spending, so any savings can only be delivered from the remaining 35%.

Graph 3: Summary of expenditure by Birmingham City Council (BCC)
Most of BCC's spending is not controllable by the City Council

Revenue Budget 2011-12

Description	2011/12 £m
Controllable Spend	1,257
Housing Revenue Account	295
Grants to Reimburse Expenditure	660
School Funding	1,014
Borrowing Costs	210
Other	91
Total	3,527



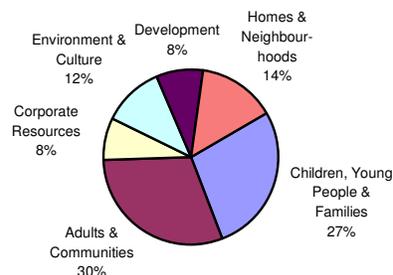
The controllable expenditure occurs in all service areas. Over half of it is spent on services for children and young people and on adult social care support. The controllable expenditure from which savings can be made totals £1,257m.

Graph 4: Summary of controllable expenditure

Savings can only be made from controllable spend

Controllable Spend by Service Area

Service Area	2011/12 £m
Children, Young People & Families	345
Adults & Communities	382
Corporate Resources	96
Environment & Culture	145
Development	106
Homes & Neighbourhoods	183
Total	1,257



Further details of the Council's 2011/12 budget are set out in the budget book, which can be found on the Council's website at www.birmingham.gov.uk/budget.

3. Our approach to delivering the required savings

Delivering savings of this scale requires a clear strategic approach which prioritises the most important outcomes for Birmingham people.

As far as possible within the resources available our top service priorities are as follows:

- **Protecting vulnerable people (children and adults)**
- **Encouraging investment to create jobs and helping people into work**
- **Improving education and skills (employability)**
- **A clean, green and safe city**

We will be delivering the required savings by:

1. Continuing to transform our efficiency
2. Preventing problems to avoid big costs later
3. Reducing dependency and enabling self sufficiency
4. Collaboration between service areas and public agencies
5. Personalisation such as moving to individual budgets giving more choice to service users
6. Maximising income streams
7. Levering in funds from the private sector

We would welcome your views on these priorities and principles.

4. What we have done so far

We have done a lot already. We have found over £100m in savings from cutting management and back office costs. We have re-designed services to improve them whilst delivering savings. We have improved productivity and increased income and we are rationalising our asset base in order to reduce revenue costs.

We started our ten year business transformation programme in 2006 .This has been the most comprehensive and largest IT enabled transformational change programme in the UK public sector.

We have taken a radical look at how we do things, and have redesigned how to do it, taking account of the systems and processes used, the technology that supports it, the people who carry out the tasks and how the changes benefit our customers. This has allowed us to look at some of the key 'back-office' functions such as finance, procurement and human resources and deliver savings in terms of reduced staff numbers, accommodation costs, negotiate improved contracts, and obtain economies of scale.

We have not just looked at our back office functions. Transformation programmes have also been delivered in some of our key service areas such as the Adults & Communities, Children, Young People & Families and Housing services and overall around Customer Services. People in Birmingham who use our services have asked for more choice and control over how they interact with the Council and the type of care they get, when they get it, who provides it and how it is managed. For example Adults and Communities Transformation has changed the way that adult social care is delivered to adults in Birmingham by giving them more financial control and choice, as well as increasing independence and support for service users and carers.

In addition, there have been smaller-scale reviews of how we deliver services, in order to make them more efficient and cost effective. We have concentrated on the outcomes for people living in Birmingham, rather than focus on a particular way of providing services.

Of course, all this means that there has been a reduction in the number of people employed by the Council. However, of the 1,184 (excluding schools) who left the employment of the Council from April to July this year only 81 have required compulsory redundancy.

However, whilst we will be making further efficiency savings, it is clear that changes to the back office alone cannot deliver the savings the Council needs.

5 What has changed since last year?

Our Business Plan 2011+ set out ambitious plans for delivering a significant programme of savings starting in 2011/12. Actions have already been taken to deliver 88% (£187.9m) of this year's savings requirement, and work continues to address the remainder.

We have updated our financial position to:

- Review the decisions taken last year
- Learn from our experience of implementing the savings plans
- Take account of some areas of our budget where cost increases can't be avoided, such as rising energy prices.

5.1 Review of last year's plans

Adult Social Care "New Offer"

There was a Judicial Review earlier this year into the Council's decision to change the eligibility criteria for adult social care services from those with Substantial and Critical care needs to people with Critical care needs only. The judge found that we had not followed a sufficiently robust procedure in reaching our decisions and ruled that, for the time being at least, we could not go ahead with our plans.

We have reviewed our position, including the related decision concerning the costs of care by other providers, and **we are not now proposing to go ahead with changes to the eligibility criteria**. This leaves a shortfall of £51m in 2012/13, rising to £69m by 2013/14, out of a budget of £243.7m. This policy can only be achieved by finding savings in other areas across the Council.

Home to School Transport

We currently provide assistance with the costs of transport to school to over 6,200 young people at a cost of £17m. We had made provisional plans to amend the criteria that help us decide who should receive assistance, to bring them in line with the statutory minimum and those applied by other Councils. However, whilst we are still proposing to consult on reviewing the service, so that it better meets the needs of children and is more efficiently run, we are not taking any particular view at this stage about eligibility criteria.

Service Birmingham Jobs Abroad

We have made it clear that we are not willing to allow our partner organisations to export jobs abroad, but this may have some consequences for our contract costs. We are currently negotiating on this point.

5.2 Learning from our experience

We have also taken stock of a number of other savings plans and, in the light of experience to date, are looking to make some changes to:

- Alter the speed at which we plan to make some savings – some more quickly and other not quite as fast as originally proposed.
- Amend the level of savings from some initiatives – reducing some and increasing others.

5.3 Cost increases

We have reviewed our spending plans, and we need to provide extra resources in some areas, for example to meet increased energy costs and other effects of inflation or to address further cutbacks in Government funding. Our plans also include provision in respect of a number of important service pressures, including in relation to children's social care services (£7.8m).

5.4 Increased Community Funding

We are proposing to provide some extra funding to match the Community First programme of funding (£2m) announced by the Government recently, in order to provide an additional £25,000 of Community Chest funding for each of the 13 wards that will not receive Community First grants.

6. Updated Position

The Government's Spending Review 2010 set out reductions in local authority funding over a four year period, so we have been planning for further savings in 2012/13 over and above those being delivered this year. However, the factors described above mean that this step-up in savings now needs to be bigger than was originally envisaged. We need to make further savings of £65m over and above existing plans in 2012/13, rising to £171m by 2015/16. The position can be summarised as follows:

Total Savings Needed

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Savings required to address: Not progressing Adults New Offer & School Transport savings	57.3	75.1	75.1	75.1
Other factors including service pressures	48.8	99.0	157.5	210.5
Total Savings Required	106.1	174.1	232.6	285.6
Less: Existing savings plans	(41.1)	(91.4)	(103.0)	(115.0)
Further savings needed	65.0	82.7	129.6	170.6

The Government has recently announced that additional resources will be made available to help Councils retain or return to weekly rubbish collections. The details of the scheme are not yet clear but it is likely that the Council will be able to bid for a proportion of these additional resources, potentially reducing the overall level of savings required.

WHAT ARE THE SAVINGS PROPOSALS?

This consultation paper sets out proposals to meet the new savings requirement. We are not consulting again on existing plans although savings targets have been set for all directorates, the final proposals do not simply reflect a pro rata allocation. Services have been required to make savings to address their cost increases and to absorb changes in savings plans. However, these have been adapted in the light of the Council's policy priorities as set out in Section 3 of the Financial Background part of this document. The potential savings are summarised below and set out in detail for each service area in Appendix 1.

Service Area	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Adults & Communities	(29.8)	(25.5)	(24.0)	(24.0)
Children, Young People & Families *	(22.6)	(47.3)	(48.2)	(48.2)
Corporate Resources	(2.5)	(2.9)	(2.9)	(2.9)
Development	(2.3)	(2.8)	(2.8)	(2.8)
Environment & Culture	(3.4)	(3.6)	(3.8)	(4.1)
Homes & Neighbourhoods	(4.4)	(4.4)	(4.4)	(4.4)
Total New Savings Options	(65.0)	(86.5)	(86.1)	(86.4)

* Increase from 2013/14 reflects savings from the implementation of the new operating model for Children's Services

We have undertaken some initial analyses of the equalities and other legal impacts of the various proposals, and will continue to refine these. These assessments will form a part of the information which will be presented to our Councillors before final decisions are taken.

We would like to hear your views on these proposals.

In addition to proposing not to go ahead with the adult social care "New offer", not taking a particular view on eligibility criteria for assistance with Home to School Transport, and not allowing IT jobs to be exported abroad we have also considered some other potential savings but, after giving them consideration, we are not planning to pursue these. Details are set out in each directorate section of Appendix 1.

We would welcome your views on whether you agree with not pursuing these.

We are continuing to seek out other further opportunities for making savings, for example through greater income generation (including a potential Birmingham Lottery and ensuring that all costs are fully recovered wherever possible) and new ways of working with the private sector and other agencies, such as service improvement funded through social investment models.

We would also like to hear of any other suggestions as to how we could make savings, but taking account of the actions which we have already put in place as set out in the previous section.

Employee Implications

The savings proposals set out in this consultation document, if approved, are subject to the requisite statutory consultation (Trade Union and Labour Relations (Consolidation) Act 1992) and employee consultation by the relevant directorates prior to implementation of the proposals. It is anticipated that there will be implications for the number of people employed by the Council, with details set out in each directorate section of Appendix 1. Please note that these figures are approximate; the actual numbers affected by the proposals will depend on the nature of the savings proposals eventually implemented following the requisite consultation.

RESPONDING TO THIS CONSULTATION

We would welcome your views on:

1. The Council's top service priorities and approach to delivering savings.
2. Any of the new savings proposals that you think we should not implement, but bearing in mind the need to achieve the required overall level of savings.
3. Our plans not to pursue a number of potential savings initiatives which we have considered.
4. Any other suggestions that you would like to make for ways of making savings, taking account of the actions which we have already put in place.
5. The proposed Council Tax freeze, for the second year running.

How to let us know your views

We are consulting on these proposals from 12 October 2011 to 8 January 2012. You can give your views in the following ways:

- Filling out our online survey at www.birmingham.gov.uk/budgetviews
- Emailing to budget_views@birmingham.gov.uk
- By text message to: 07786 200 403
Simply start a new message with the word '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.
- Writing to Budget Views, Room B119, The Council House, Victoria Square, Birmingham B11BB

The Council is holding a series of community meetings throughout October/November across the city – details of these will be available at www.birmingham.gov.uk/budgetviews

In addition to this Council-wide consultation on the overall resource allocation proposals, directorates will also be consulting in more detail on the implementation of individual savings options.

Regular updates on the consultation will feature in the Chief Executive's Budget Views Blog on www.birminghamnewsroom.com - click on the budget views tab.

The Council will not be able to respond individually to comments. All of the views expressed and the findings and feedback from the surveys and consultation events will be collated and presented to the Council's Cabinet Members to help them in their decisions. A log of all responses will be publicly available.

Major Achievements Since 2004

Increased Quality - adult social care moved from being a one star to a three star service, as judged by the Care Quality Commission with a particular improvement being seen in adult safeguarding.

Transformed services - services have become more personalised through the introduction of individual budgets as part of a comprehensive transformation programme.

Established Joint Commissioning with the NHS for Learning Disability and Mental Health Services - Birmingham has set up one of the largest joint commissioning projects in the country with local PCTs.

Introducing telecare - Birmingham City Council has invested in a £14m contract with Tunstall to provide a city-wide telecare service. The contract, which should benefit up to 25,000 people over three years, includes a new Birmingham-based call centre.

Savings Proposals

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
New savings options - efficiencies				
- Commissioning efficient services	2.6	5.5	5.5	5.5
- Increasing the effectiveness of the Enablement Service	3.5	6.2	6.2	6.2
- Bringing forward benefits from Individual Budgets	0.9	1.7	1.7	1.7
- Prevention & Prediction, including Telecare, as agreed by Cabinet August 2011	7.3	6.1	3.7	2.8
- Full yr effect: Birmingham Contract	2.5	2.5	2.5	2.5
- Reductions in running costs	3.0	3.5	4.4	5.3
Sub-Total: Efficiencies	19.8	25.5	24.0	24.0
Support from the NHS for Social Care to benefit Health	10.0	-	-	-
Sub-Total: Support from the NHS	10.0	-	-	-
Sub-Total New Savings	29.8	25.5	24.0	24.0
Initiatives previously consulted on (incl. closure of last 4 care homes)	3.3	17.7	24.0	36.0
Changes to these plans	4.7	4.7	4.7	4.7
Sub-Total Savings: existing plans	8.0	22.4	28.7	40.7
Total Potential Savings	37.8	47.9	52.7	64.7

Commentary on the savings proposals

The Directorate's Revised Full Business Plan details its Future Operating Model and outlines a timetable to 2017/18 for realising £191m of cashable benefits. The main features of the Future Operating Model include:

- Moving to individual budgets to give service users choice and control.
- Reshaping the social care market to provide efficient services and promote independence and reduce the number of people needing local authority funded care.
- Adopting new approaches to care through enablement, informed choice, prediction and prevention, and income maximisation.

The savings proposals below are about accelerating or bringing forward the achievement of these benefits:

Commissioning efficient services

We will look at the cost effectiveness of our internal services, both in terms of whether we are providing the right services as well as considering if those services could be provided at a lower cost by the independent or 3rd sectors.

This could lead to a reduction in the size of the Council workforce, with citizens who receive services from the Council getting them from independent sector providers instead.

Enablement Service

This is an intensive service for up to six weeks, designed to help people rediscover their independence, possibly after a stay in hospital. The service is for all new clients and either helps to keep people from needing social care at all, or reduces the cost of their longer-term care – it adds years to life. To achieve the saving we must expand the service (in order to avoid other costs) not only in terms of the number of hours that are available, but also the range of enablement activities on offer. We will do this in conjunction with our colleagues in the Health Service.

Enablement means that service users have smaller packages of care because they have lower on-going needs (if they need care at all), leading to a saving on the budget for care purchased from the independent sector.

Individual Budgets

These, together with the use of cash direct payments, allow individuals to take real control over deciding what care they need to meet their needs and how that care might be received. Through a Universal Resource Allocation System and imaginative Support Planning, based upon thorough assessment of eligible need and moderation where appropriate, we will arrange care which reduces the risk of the loss of an individual's independence as well as helping them to meet real outcomes for themselves. To do this, we will also need to consider thoroughly what carer support and benefits someone has to ensure that these are used most effectively.

The saving on budget for care purchased from the independent sector will accrue because people will be expected to make greater use of their own

resources (such as mobility allowance, attendance allowance and family members) to meet their needs. We will also be working with the independent sector, particularly where care is provided for younger adults, to determine if better models can be developed that are less expensive, better able to meet peoples' needs and promote independence.

The Council will continue to meet needs that are eligible under the criteria for substantial or critical with an individual budget. No service user will experience any change to their care without first being reviewed and we will ensure that any changes made will not compromise our duty to meet eligible need.

Prevention and prediction

The idea of designing services to delay people needing care is a very popular one and we propose to develop more quickly our plans around falls prevention, onset of dementia and stroke as a way of improving quality of life and reducing costs overall. In addition, we have recently awarded a contract to provide pieces of telecare equipment. Telecare is the real time, 24 hours a day monitoring of risks to a person's independence through the application of a range of sensors and other devices. These are personally configured to constantly monitor whatever risks to independence may be faced by an individual such as fire, falls, epilepsy, incontinence, etc . We anticipate supporting a minimum of an additional 200 people per week through telecare as part of the overall provision of the service model available to citizens.

Telecare will make a saving on budget for care purchased from the independent sector by using technology to replace the need for traditional services such as homecare. Telecare would be expected to be the first service that people will receive, until such time as their needs increase.

Birmingham Contract

Alongside proposing changes to the way that services are provided, we have also taken steps to ensure that we are as cost effective as we can be.

The savings shown for the Birmingham Contract are the full year effect of the changes to terms and conditions of employees that were introduced by the Council in 2011/12. In addition, we will also reduce Directorate running costs to ensure that care budgets are not affected further.

NHS support for Social Care

Last year the government announced that PCTs would receive funds to support social care in 2011/12 and 2012/13. PCTs transfer this funding to local authorities to invest in social care services to benefit health, and to improve overall health. With the support of the NHS in Birmingham, we propose to use this funding to support the overall care framework.

Closure of remaining four care homes

As part of the Council's long standing policy to close its residential care homes which do not meet modern standards; the last four homes will begin the closure process in 2012.

As with all previous home closures, the transfer of residents to the independent sector will be done after a full and thorough assessment of their needs and preferences.

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 540 employees (436 FTE) in 2012/13.

We would welcome your views on these proposals.

Savings options considered but not proposed

Officers also put forward the following proposals for consideration, but the Administration is proposing not to pursue these:

1. Reducing eligibility criteria - we have taken on board the findings of the Judicial Review earlier this year and are not now proposing to go ahead with this.
2. Cutting fees for independent sector care providers - having taken on board the views of the Birmingham Care Consortium from discussions earlier this year, we are in open book discussions with our providers on fee levels and would not wish to do anything that could cause instability in the care market.
3. Reducing investment in the voluntary sector – we have already undertaken a commissioning review of voluntary sector contracts and in view of the contribution of these services to the social and healthcare framework in the City we do not wish to propose further reductions in advance of any commissioning decisions in September 2012.

We would welcome your views on whether you agree with not pursuing these savings.

Major Achievements Since 2004

GCSE Results: Birmingham is leading the way locally and nationally with year on year improvements for educational attainment at GCSE level. The proportion of pupils gaining five or more good GCSEs in Birmingham has more than doubled since the millennium and early indications for 2011 show that 84% of pupils gained five or more A*-C grades, compared to 81.9% last year. In 2000 the figure was 41%. Last year's England average was 75.6%. Including English and maths, early figures show that 58% of pupils achieved five or more A*-C grades, compared to 54.9% last year.

Changing the Way Children's Services are Provided: Children's Services have been reshaped into integrated family support teams (IFSTs) at 16 'hubs' across the city, incorporating our children's centres and community day nursery provision. This will ensure that family support services, including child care, are designed and delivered to provide packages of support that meet local need. We have also remodelled our social work teams to improve our work with children subject to child protection plans and those in our care.

Savings Proposals

The proposed savings from the CYPF portfolio are shown in the table below and are followed by an outline of the efficiencies that are being sought.

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Various departmental efficiencies	5.1	5.1	5.1	5.1
Sub-Total Efficiencies	5.1	5.1	5.1	5.1
Academies cost recovery	4.0	4.0	4.0	4.0
Children in Care Placement Strategy	6.5	7.6	7.6	7.6
Connexions	4.1	4.1	4.1	4.1
Changing Children's Services *	0.6	24.2	25.1	25.1
Fostering, adoption and escort/court services	2.3	2.3	2.3	2.3
Sub-Total Other Savings Options	17.5	42.2	43.1	43.1
Sub-Total New Savings	22.6	47.3	48.2	48.2
Initiatives previously consulted on	4.4	5.6	6.5	6.5
Changes to these plans	0.7	0.8	(0.1)	(0.1)
Sub-Total Savings: Existing Plans	5.1	6.4	6.4	6.4
Total Potential Savings	27.7	53.7	54.6	54.6

* Increase from 2013/14 reflects savings from the implementation of the new operating model for Children's Services

Commentary on the savings proposals

Existing Plans – These are savings that were approved as part of the 2011/12 budget and are focused on back office savings.

Academies Cost Recovery – As a result of the introduction of Academy status for schools, the directorate will see a transfer of government funding for support services from the Council to the new Academy schools. It is proposed that this reduction in funds will be met by fully recovering the cost of these services from the schools that purchase them and/or reducing the services provided accordingly.

Children In Care Placement Strategy – In order to improve outcomes for children, it is proposed to review and reduce the number of placements of children in care in both the external and internal sector, increase the number of foster carers for children and expand our relationship with the private provider sector. This has implications for our residential homes and for our fostering service. The specific proposals at this stage are:

- Reducing the number of social care external placements
- Reviewing eligibility criteria for Direct Payments
- Increasing the contribution from the NHS to joint placements
- Recommissioning existing residential, domiciliary and respite packages and reducing the length of stay in expensive providers
- Increasing the number of in-house foster carers
- Reviewing the number and range of in-house residential placements

Connexions – This proposal will see the Connexions service being resized to fit available funds and operating as a fully traded, full cost recovery service.

Changing Children's Services: CYPF has concluded the introduction of a new way of working that provides services to children through integrated family support teams. The savings shown are the expected reduction from this restructuring.

Fostering, adoption and escort/court services: These savings relate to streamlining the fostering and adoption service and seeking greater efficiency in the way CYPF interacts with the Courts. The specific proposals are as follows:

- Reduction in the number of fostering service and adoption service staff
- Review/outsources the contact and escort service
- Recommission specialist and court based assessments
- Introduce new eligibility criteria and extension of means tested contributions for Special Guardianship Orders, Residence Orders and Adoption Allowances

Various Departmental Efficiencies – Savings are proposed from a range of support service and operational budgets.

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 314 employees (301 FTE) in 2012/13

We would welcome your views on these proposals.

Savings options considered but not proposed

Officers also put forward the following proposals for consideration, but the Administration is proposing not to pursue these:

Eligibility Criteria for Home to School Transport – Whilst we are still proposing to consult on reviewing the service, so that it better meets the needs of children and is more efficiently run, we are not taking any particular view at this stage about eligibility criteria.

Reduced Funding for Integrate Family Support Teams – These teams are a key part of the new Changing Children’s Services and are considered to be an essential part of meeting improvements targets for the portfolio

Withdrawal from Youth Services – It is not considered to be appropriate to move Youth Services away from direct provision to a more limited signposting service.

Reducing Early Years schemes and Children’s Centres – It is not considered appropriate to reduce this provision.

We would welcome your views on whether you agree with not pursuing these savings.

Major Achievements Since 2004

The Corporate Resources directorate has been responsible for the introduction, management and delivery of major corporate business transformation programmes –

- Corporate Services - Achieving significant savings through better procurement, an “Amazon. com” style of ordering, greater compliance with corporate contracts and more consistent financial information
- Working for the Future - Delivering workspaces that provide a better staff environment and support agile working - helping to deliver improved services to our customers
- Excellence in People Management - Helping the council to make best use of its people resources, improve performance and become an employer of choice.
- Human Resources – successfully implemented the single status agreement providing a gender and culture fair salary structure. Building on this, an authority-wide performance appraisal scheme has been implemented, ensuring that salary advance is based on merit and achievement of objectives.

Overall some £23m has already been saved from the directorate’s support and administrative budgets. This has come primarily from the redesign of service areas.

Savings Proposals

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
New savings options - efficiencies - Extend current efficiency programme	2.5	2.9	2.9	2.9
Sub-Total–New Savings Options	2.5	2.9	2.9	2.9
Initiatives previously consulted on	2.4	9.5	12.9	12.9
Changes to these plans	0.5	0.0	0.0	0.0
Sub-Total Savings in existing plans	2.9	9.5	12.9	12.9
Total Potential Savings	5.4	12.4	15.8	15.8

Commentary on the savings proposals

The Corporate Resources Directorate provides services across 10 divisions ranging from front line services (Revenues & Benefits), professional support (legal, finance, HR) to back office support services (payroll, exchequer, democratic management).

The programme of stepped proposals to deliver savings consists of the following:-

- a) The bringing forward of savings from 2013/14 to 2012/13. The saving would be achieved by accelerating planned staffing restructures. It is considered £0.4m can be achieved in this way.
- b) Extension of current efficiency programme, capitalising on the benefits of a new more integrated Corporate Resources Directorate. These savings are not service specific at this stage and would largely be achieved by examining our support services in an integrated way. The proposed main areas of saving are:-
- Increasing external income (e.g. Procurement, HR, Payroll)
 - Centralisation of additional functions to create greater efficiency including automation
 - External commissioning of services (eg. debt recovery, property conveyancing)
 - Supplier self service
 - Further service redesign (Policy, Performance & Information)
 - Integration of support functions e.g. SAP management, Payroll/HR etc.
 - Rationalisation of administrative and support services
 - Delivery of democratic services
 - Refining charging models for internal trading

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 68 employees (61 FTE) in 2012/13.

We would welcome your views on these proposals.

Major Achievements Since 2004

World class city – The Big City Plan is the most ambitious and far-reaching citywide development project ever undertaken in the UK. We are transforming the city centre with developments such as the iconic new Library, the £600m New Street Station, the refurbished Town Hall and the new Matthew Boulton College. The Plan will create 50,000 jobs, 5,000 new homes and generate £2.1bn to the economy each year. Work has now started on the Eastside City Park, the first city centre park in Birmingham for 125 years.

Regeneration of local areas – Birmingham has used regeneration funding of £167m¹ to improve life for communities living in the most deprived areas of the city. Our successful approach to regeneration has resulted in major developments across the city including the Queen Elizabeth Hospital in Selly Oak, the £30m redevelopment of Edgbaston Cricket Ground and the Joseph Chamberlain College. The £800m Longbridge scheme which resulted from the concerted response to the Rover crisis is one of the largest regeneration projects in the West Midlands. The pioneering vision includes the creation of 10,000 jobs and 2,000 homes. Key achievements to date include the new £66m Bournville College and the £100 million Longbridge Technology Park. A programme of £1m p.a. is improving our local town centres. A further £1m programme rejuvenated areas affected by the Tornado disaster in 2005.

Economic success in partnership with businesses – The high powered Local Enterprise Partnership has been established and secured an Enterprise Zone. This has already stimulated investment with the new John Lewis store. By 2015 the zone should create 97,000sq metres of new development, generate a total of 4,000 new private sector jobs; and contribute over £200m p.a. to the economy. The six Business Improvement Districts have over their five year term raised over £13m of additional private investment in the City and our energy in attracting inward investment was shown when Deutsche Bank (the international investment bank) opened creating 250 new jobs and raising Birmingham's profile as a financial centre. Investments in the creative industries and commitment to projects such as the Hydrogen Fuel Cell project are building economic success for the future.

Improving road safety and traffic management - Road safety casualties have reduced as a result of work with schools, preschool children and with cyclists and new drivers. The Selly Oak New Road has been constructed to support the new hospital development and the Midland Metro Extension will boost the regional economy by £50m creating over 1300 jobs. The Vision for Movement project is showing results in opportunities for sustainable travel and by rolling out the CABLED electric vehicle initiative.

Birmingham residents have benefitted from training and support to access jobs. The Working Neighbourhood Fund programme placed 3,651 people into jobs in 2010/11. The Birmingham Apprenticeship Scheme supported 89 businesses to recruit 166 young people into apprenticeships. Using our planning

¹ SRB6, NDC1, NDC2, ERDF Priority 3.

and purchasing powers over 30 Targeted Recruitment and Training Agreements are now in place with the private sector. This is providing a commitment to jobs for up to 5,400 jobseekers.

Savings Proposals

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
Potential reduction in the City Council's annual levy from Centro	1.3	1.8	1.8	1.8
Shelforce - explore business options to mitigate on-going trading deficit	1.0	1.0	1.0	1.0
Sub-Total: Service	2.3	2.8	2.8	2.8
Initiatives previously consulted on	2.3	5.0	5.0	5.0
Changes to these plans	0.5	(1.1)	(0.1)	(0.1)
Sub-Total Savings:existing plans	2.8	3.9	4.9	4.9
Total Potential Savings	5.1	6.7	7.7	7.7

Commentary on the savings proposals

Potential reduction in the City Council's annual levy payment to Centro:

In common with other Councils, the City Council will investigate with Centro to maximise a range of efficiency savings from areas that fall outside of the provision of statutory concessionary fares. Final decisions will be taken by Members of the Integrated Transport Authority, subject to any consultation which will need to be undertaken, and so the City Council cannot be certain of the level of savings achievable. However, the figures included here are felt to be a realistic forecast of the potential reductions from existing budget plans.

Shelforce - explore business options and other supported employment opportunities to mitigate on-going trading deficit:

Shelforce provides sheltered employment for disabled persons in a PVCu manufacturing environment. Continuing trading difficulties and reduced levels of construction activity require the City Council to explore a number of future business options for the Shelforce operation.

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 188 employees (159 FTE) in 2012/13

We would welcome your views on these proposals.

Major Achievements Since 2004

- We have started work on building the new Library of Birmingham, which will be completed by 2013
- The Midlands Art Centre has been transformed and is achieving record attendance figures.
- The Town Hall has been refurbished and re-opened to provide the city with another high quality concert hall, complementing Symphony Hall.
- We have developed Birmingham as an international sporting city and attracted the USA and Jamaican Olympic track and field teams to use Birmingham as their base to train during the 2012 Olympics. We have also hosted several major events including: European Indoor Athletics in 2007; World Half Marathon in 2009; European Gymnastics in 2010; Papal Visit in 2010; and the Diamond League in 2011
- We have developed the Frankfurt German Market into the third biggest in Europe which attracted £300 million economic benefit to the City
- We have developed many sports facilities across the city including the new Gymnastics and Martial Arts Centre (GMAC), the back straight stand at Alexander Stadium, a new International BMX Track, and the new swimming pool and leisure complex at Harborne. We have provided finance to facilitate the improvements to the cricket ground at Edgbaston.
- We have improved our waste collection services and won the Cleanest City Award in 2007. We have also increased the amount of recycling from 15% of waste to 34% and reduced the amount of waste to sent to landfill from 21% to 4%. Our "Be Part of Birmingham Paper Chain" recycling initiative won the European Paper Recovery Council's award for Innovation in September 2011
- We have won silver and two silver gilt medals at the RHS Chelsea flower show in the last three years, and were the regional winner of Heart of England in Bloom. Nine of our parks have been awarded green flag status
- We have entered into a long term partnership with the private sector for the maintenance and management of all of our highways. This will see an investment of around £350m over the next four years to upgrade our roads, footways, street lights etc. and keep them in a good condition for many years afterwards.
- We have delivered cumulative efficiency savings of £53m up to the current year.

Savings Proposals

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
New savings options - efficiencies				
– Reduce accommodation charges	0.2	0.3	0.3	0.3
– Restructuring of back office functions	0.1	0.1	0.1	0.1
– Review of communications	0.2	0.2	0.2	0.2
– Emergency Planning staff reductions	0.0	0.1	0.1	0.1
– Management and service redesign	0.8	0.8	1.0	1.3
Sub-Total: Efficiencies	1.3	1.5	1.7	2.0
New savings options - other				
– Restructuring of Sports and Events	0.1	0.1	0.1	0.1
– Golf course tender	0.3	0.3	0.3	0.3
– Further redesign of Highways Service	0.1	0.1	0.1	0.1
– Fleet & Waste Management – review of charitable waste procedures	0.4	0.4	0.4	0.4
– Review subsidies to community events	0.4	0.4	0.4	0.4
– Review Community Development and Play grants	0.5	0.5	0.5	0.5
– Further efficiencies in Grounds Maintenance	0.2	0.2	0.2	0.2
– Income maximisation initiatives	0.1	0.1	0.1	0.1
Sub-Total: Savings Options - other	2.1	2.1	2.1	2.1
Subtotal new efficiencies	3.4	3.6	3.8	4.1
Initiatives previously consulted on	10.6	26.0	26.6	26.6
Changes to these plans	2.3	0.3	0.4	0.4
Sub-Total Savings in existing plans	12.9	26.3	27.0	27.0
Total Potential Savings	16.3	29.9	30.8	31.1

Commentary on the savings proposals

Restructuring of Sports and Events

Reduce the number of employees who arrange sports and events activities in the city.

Golf course tender

It is intended to transfer the management of the city's golf courses to the private sector which is expected to generate savings

Highways Service

Further redesign of the Highways service.

Fleet & Waste Management – review of charitable waste procedures

Review free tipping of waste for larger and nationally based charities.
We will replace charity recycling banks on the streets of Birmingham with Council collection banks.

Review subsidies to community events

Review the amount of financial support given to Community Events.

Review Community Development and Play grants

Review the staffing structure in the central Community Development Team and implement a commissioned approach to Community Development and Play grants..

Further efficiencies in Grounds Maintenance

Review schedules of work and the management of Grounds Maintenance.

Income Maximisation

Review charging policies to ensure full cost recovery and increase net income.

Management and Service Redesign

Further redesign of structures associated with the savings proposals.

We are also proposing to identify extra resources to mitigate the impact of savings in budgets to fund support to cultural activities, including through the development of a Birmingham Lottery.

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 31 employees (26 FTE) in 2012/13

We would welcome your views on these proposals.

Savings options considered but not proposed

Officers also put forward the following proposals for consideration, but the Administration is proposing not to pursue these::

- Stopping providing the planned collection of bulky (large) waste items on a street by street basis
- Introducing a charge for green (garden) waste

- Introducing a charge for the collection of bulky (large) items of waste from individual houses
- Reducing the level of street cleansing

We would welcome your views on whether you agree with not pursuing these savings.

The Homes and Neighbourhood Directorate provides a range of services including:

- Council housing for more than 200,000 people in 65,000 homes
- Statutory housing services for vulnerable people (more than 45,000 people through the Supporting People Programme) and homeless services.
- Services to local people through the Constituencies (including local libraries, leisure centres, neighbourhood advice centres and community play).
- Regulation and Enforcement to deliver a safer, cleaner, greener and fairer City through an effective community safety partnership. Application of regulatory powers in a fair, consistent and proportionate manner to deliver improved quality of life outcomes.
- Effective and efficient discharge of legal duties in relation to private sector housing, registration and coronial services.
- Community Safety Services in partnership with West Midlands Police, West Midlands Fire Service, Probation Services and the NHS

Major Achievements Since 2004

- Investing over £800m to delivery Decent Homes (now almost 100%)
- Reducing the number of empty properties in the public/private sector (now less than 3%)
- Building new Affordable Homes for rent and sale (current programme of more than 700 properties)
- Securing a 2 Star Rating from the Audit Commission in 2008 for our Strategic Housing Services
- Improving the customer satisfaction from 64% to 70% on Landlord Services
- Introducing innovative and award winning local programmes for local people e.g. Be Active in our Leisure Centres
- Improving the safety of communities through the Birmingham Community Safety partnership
- Improving the environmental health and consumer protection standards for the City and being asked to host the national Anti-Money Laundering Project for England.
- Improving public health and economic outcomes through effective and consistent regulation and pro-active pest control.
- Delivering 100% of all inspection programmes for food safety, food hygiene, health & safety and environment protection.
- Building two successful extra-care retirement villages offering a choice in later life for our older residents.

Savings Proposals

	2012/13 £m	2013/14 £m	2014/15 £m	2015/16 £m
New savings options - efficiencies				
– Additional income for HMO Licences	0.1	0.1	0.1	0.1
– Reducing sickness absence and improving productivity	0.1	0.1	0.1	0.1
Sub-Total: Efficiencies	0.2	0.2	0.2	0.2
New savings options - other				
– Reconfigure debt and advice services	0.4	0.4	0.4	0.4
– Supporting People Reductions	3.8	3.8	3.8	3.8
Sub-Total: Savings Options - other	4.2	4.2	4.2	4.2
Subtotal new savings	4.4	4.4	4.4	4.4
Initiatives previously consulted on	7.6	21.8	22.1	22.1
Changes to these plans	1.8	1.0	1.0	1.0
Sub-Total Savings in existing plans	9.4	22.8	23.1	23.1
Total Potential Savings	13.8	27.2	27.5	27.5

Commentary on the savings proposals

It is proposed to implement a modest increase in the current 5-year licence fees charged to private landlords (the current annual fees are an average £160 per annum).

Reducing the current sickness absence and improving productivity for staff towards achieving national average standards.

A review of the current homeless prevention services provided (the total current investment is £2m per annum). A new commissioning approach will be adopted and this is intended to secure a saving of £0.4m on existing investment.

A further additional saving of £3.8m is being considered with regard to the Supporting People Programme.

A number of savings programmes are continuing from 2011/12 and in some cases these will be accelerated for example Constituency Services, Customer Services and reductions in regulatory activity in relation to environment health and trading standards including the maximisation of income potential and income generating opportunities.

The implications for our service users and service partners are being assessed separately in line with statutory requirements.

At this stage, it is anticipated that the impact of the above proposals would be a potential reduction of 102 employees (87 FTE) in 2012/13.

We would welcome your views on these proposals.

Savings options considered but not proposed

Officers put forward for consideration a reduction in the £4m support to local communities through the Community Chest, but Members consider this crucial to delivering community priorities at a local level. Indeed, the Executive is proposing an additional allocation to the Community Chest of £325,000 in 2012/13 to provide an additional £25,000 for each of the 13 wards that will not receive Community First Government grants.

We would welcome your views on these proposals.