

**BIRMINGHAM CITY COUNCIL  
BUDGET CONSULTATION 2013+**

**Public Consultation Meeting Report**

**Venue & Date: South Yardley Library, Yardley Road, Yardley,  
11<sup>th</sup> December 2012**

**Introduction**

These notes are a summary of the discussion at the public consultation meeting on the proposals for Birmingham City Council's 2013 onwards Budget held in South Yardley during the evening of 11<sup>th</sup> December 2012. The Leader of the Council, Sir Albert Bore, gave a presentation on the current financial position and on the difficult decisions that needed to be taken. Answers to questions and discussion points from the audience were provided by Council Cabinet Members (including the Leader). In this note, these answers are summarised in *italics* to distinguish from the discussion points.

**Attendance**

83 people attended the meeting on Tuesday 11<sup>th</sup> December. The attendees were from 17 different postcodes across the city.

**Summary**

- Many at the meeting were very concerned that the proposed cuts would have the greatest impact on children, the most vulnerable and disadvantaged. There was also concern about the impact of the cuts on specialist voluntary organisations providing services to these groups of people.
- Impassioned pleas were made by many, including a number of young people, that the closure of youth clubs would be keenly felt. There would be implications for crime, community safety and safeguarding issues for the young people and their families.
- Concern was also expressed about the continued reductions to the Connexions service with consequences for youth unemployment.
- The implications of cuts in Welfare Benefits were also raised. Although these were not controlled by the Council (except Council Tax Support which was being passed to Council's but with a cut in funding), they would have a big impact on the poorest and most vulnerable sections of Birmingham's citizens. A plea was made to retain the services of the Citizens Advice Bureaus.
- Other areas discussed covered included integration services for minority communities, Shelforce, the impact of academy schools on the Council's budget, whether the funding for wheelie bins for waste collection could be spent elsewhere (it can't), the availability of funds for new job creation, promoting sustainable community asset transfer, the additional costs to users when some services are commissioned from non-Council providers, management of the Council's redundancy process fairly and with respect and having due regard to equality and diversity issues.

- An alternative approach of refusing to make the cuts and setting a deficit budget was raised but this was rejected by the Council Cabinet as being illegal and leading to the government taking over and implementing their cuts.

### Questions for Clarification

- Can an explanation be given about the payback arrangements over 20 years to pay all the outstanding Equal Pay issues following the recent court decision which went against the Council?

*It was advised that the Council was having to borrow money, similar to that of taking out a mortgage, to cover all the Equal Pay claims as it would not have enough money in one year to cover all these payments. The costs of paying this back would be £75m per year by 2015 and this was taken into account in the figures shown in the Budget Consultation document.*

- Has the £1b saving promised as part of the Council's Business Transformation Programme been taken into account?

*The Programme has generated considerable savings, without which the position would be far worse, and the income has been factored in to the Budget consultation document.*

### Summary of Discussion

<b>1. Views on the three Council Tax options</b>
There were none expressed.
<b>2. Key Concerns</b>
<b>Adults &amp; Communities</b> <b>Safeguarding:</b> Concern was expressed that the proposals were cutting funding from services that work with young, vulnerable women and adults, and that the cuts to the voluntary sector were being made at a time when Council wanted those organisations to take on delivery of these services. It was hoped that this consultation was a meaningful exercise and that the Council would work closely with local organisations that know their patch. Some questioned whether the budget proposals were really respecting the priority of protecting services for vulnerable groups. <i>The Council fully recognises and appreciates the work of the voluntary sector and this consultation process is a sincere one. However, the Directorate still has to take its share of the cuts burden. In the Consultation Document, our Directorate sets out the principles underpinning its proposals. Our starting point therefore is one of defending and protecting the services to those people in substantial need. We are mindful also of the earlier judicial review and we have protected funding to the voluntary sector.</i> <b>Vulnerable People:</b> In the future, the budget figures given in the Consultation Document come to £150m.

This equates to half the total budget for this Directorate. How can the Council protect the vulnerable and fulfil its obligations with cuts of this size?

*We are consulting you today on the 2013 / 14 Budget, but you are correct on the future funding position. What we are trying to do is remodel services within the funding we will have available, emphasising preventative care. Work is being done with others to get the Government to understand the growing issue and costs of adult care. The findings of the Dilnot Commission have not been acted upon.*

**Benefit Cuts:**

The need for more help to those on benefits was identified.

*The Government has imposed a cut of £10.9m in the funds Birmingham will have to subsidise Council Tax payments for particular groups, proposing that the only group protected from the impact of this cut should be pensioners. The Council is consulting on protecting other groups, such as the disabled, those with young children or a disabled child, in receipt of a war pension. One group that has come up in that consultation is 'carers' and the Council may include that group in those that are protected as well as ensuring that all the disabled are protected, including those that have been taken off Disabled Living Allowance temporarily and placed on Employment Support Allowance.*

*Other benefits are not really under the control of the Council, but of Government. The Government is making it more difficult for those in receipt of benefit, e.g. the increases being below the rate of inflation. Research has shown that the loss of a service will financially hit the poor far more than those who are better off and have more choices. It is recognised that the cuts in Birmingham will add to the difficulties faced, but at the heart of it are the decisions of Government.*

**Citizen Advice Bureaux:**

The cuts are taking resources away from the Citizen Advice Bureau offices, such as the one in Kingstanding, which will close in March 2013.

*These were changes made last year by the previous administration, but the Council is not aware of any current changes that will impact further.*

**Children Young People & Families**

**Connexions:**

A number of people raised the major loss of funding to the Connexions and the resultant loss of two thirds of the jobs and the closure of 5 out of the 6 offices; with the Broad Street office also scheduled to close. This was taking place against a backdrop of high youth unemployment and further cuts would exacerbate the position.

*It was advised that local authorities now only had statutory responsibility for NEETs, young mothers and those with special needs. Responsibility for the remainder rests with the schools to deliver or to buy in. However, many schools are not buying in the service to the level expected, so the service has had to be re-profiled. The questions have to be asked of schools and appropriate challenge made.*

*The service has been moved into the Local Services Directorate in order that it may be remodelled with and alongside other activities and services. That has also been done in the knowledge that unemployed young people will not travel in from the outskirts to the*

*city centre. Additionally, we have set up a Youth Employment Commission and announcements in January 2013 are expected about proposals to get more of our young people into work.*

**Safeguarding:**

As with the Adults & Communities, there was concern expressed that the level of cuts totalling 50% of the budget were hitting the most vulnerable children and that this was going to have far reaching impact on other services and was a false economy. It would also adversely impact on voluntary sector services targeted at the young at a time when they were being asked by the Council to take more on and their income was declining. The Council should take note of the views expressed through the consultation and should work closely with local organisations that know their area. Some consultees also questioned whether young people and economic development were really priorities in the Budget proposals being put forward?

*It was advised that the Directorate had had face difficult decisions. The children's safeguarding service was not performing and that had to be the first priority and its budget protected. The budgetary situation is made worse by the movement of schools to academy status. This is because a disproportionate lump of resources goes over with it and what services the school decides to buy from the Council is uncertain.*

*The Directorate has had to re-profile its services into preventative areas and that is why, unfortunately, voluntary sector funding has been hit. Additionally, the Directorate has tried to make cuts in services that would have the least impact on the vulnerable and on those with acute needs. Disabled Children's Services has been transferred to social work teams. Children Centres are not up for closure. On Children's Homes, the line being taken is not an economic one, but that better outcomes are achieved in placing children in a family or adoption setting.*

*Attention was also drawn to the fact that a large proportion of the of last year's cuts that were proposed and consulted upon could not be delivered. For that reason, the Directorate has had to come forward with two sets of cuts in a single year.*

**Academy Schools:**

The academy school concept was brought in by a Labour Government. This Council should have fought more against it.

*It is not about academy schools per se, but how that policy has been implemented. Each school that secures academy status takes a disproportionate share of the funding that the Council has with it. The school also has a choice as to whether to buy central support services from the Council or from elsewhere.*

**Local Services**

**Youth Service:**

A number, including many young people, strongly and passionately questioned the advisability of the proposed cuts to the Youth Service, particularly in relation to the closure of youth clubs. The implications of the loss of these facilities and other diversionary activities on young people, who may have other needs and on their families, was also raised and questioned. The importance of recognising the potential and talent of young people was stressed, along with the need to assist them in the making of lottery bids.

*It was confirmed that it remained a priority area for the Council and that there was a wish that cuts in services for young people were not on the table. However, in view of the scale of the cuts necessary, the Youth Service will be impacted through a 21% budget cut, but the Council is trying to minimise the level of that impact. Moving the service into Local Services will assist with the making of links with other activities and services provided by the Council and by others. There will also be a targeting at those communities most in need. It should also be recognised that £1m available to schools but earmarked for services beyond the school gate, which in previous years has been paid to Youth Services, will be kept back next year by the Schools Forum. There is a need to lobby the Schools Forum about that decision.*

*The lottery is being actively explored by the Youth Employment Commission. Through BVCS, we wish to bid to the BIG Lottery on youth employment issues, which, if successful, will bring in £7.8m for the voluntary sector to help get young people into jobs.*

**Fleet & Waste Management:**

Could the £30m for wheelie bins be spent on the Adults & Communities and Children's budgets and is there a possibility of privatisation of the waste collection service?

*This cannot be done as the money is from a Government pot established to support continuance of weekly waste collections by local authorities and so it can only be spent on this. Birmingham's population is growing; existing methods will not be sufficient creating an £8m gap in the future. In making the bid the Council had to demonstrate value for money and that the service could not be delivered more cost-effectively elsewhere. The Council believes it can be done most cost effectively through its own services.*

**Development & Culture**

**Shellforce:**

Why are you making proposals which impact on the disabled workforce of Shellforce?

*Shellforce employs 81 people but it is losing money and it not the best way to employ people with disabilities. More important and with a bigger impact is the policy change we have made that the workforce of the Council more accurately reflects the proportion of people with disabilities in the City. Implementation of this policy will lead to a lot more people with disabilities being employed in the Council. We will also seek to place all employees of Shellforce in other Council jobs. We will insist that other companies we contract with also employ a proportion of people with disabilities which reflects their proportion in the city*

**New Job Creation:**

How will new jobs be created if there is no money?

*Reference was made to the identification and designation of a number of Economic Zones in different parts of the City. The one at Aston was designated as an Advance Manufacturing Hub and Tyseley will benefit from having an Environmental District.*

*The Council has a budget of £3.5b About £1b of that sum is spent outside the Council. It is a massive amount of spending power which can be used to influence the activities and behaviours of others. We have had a Business Charter for Social Responsibility out for consultation. It tries to get businesses that the council contracts with to provide jobs for Birmingham residents and to work with schools. Another aspect of the Charter*

*relates to encouraging companies to adopt green policies and ethical procurement practices.*

*On being good employers, the Council is moving towards putting into contracts policies which will encourage local employment and paying the Living Wage.*

**Corporate Services:**

**Minority Communities:**

The importance of integrating small communities, such as Eritreans and Somalis, into wider society was made with reference to the National Integration Strategy and to the issues encountered, including education, gender, language and disability. However, all support to those communities appears to have been cut.

*The importance of social cohesion was stressed. There is a Cabinet Member with the specific question of 'fairness' within his portfolio. Encompassed within his role is that of a programme of challenge, both in the Council and externally. However, it should also be said that in relation to the Index of Multiple Deprivation, the pattern of deprivation has not really shifted over a considerable number of years. The question that follows from that is: should what we are doing be done differently?*

**Community Asset Transfer:**

The point was put that the transfer of assets to the community should be done properly and at sensible and sustainable rate.

*The response given was that the transfer should operate by offsetting the rent against the value of the services being provided and that individual cases could be looked at outside of this meeting.*

**Commissioning:**

When commissioning from private companies, the Council needs to look at the costs associated and the charges being levied. Often the company charges a fee which makes it more expensive to the user than the same service from the Council. Two examples were given: the service to help people to live independently and building contractors.

*The Acivico company is owned by the Council and it was set up to allow the authority to trade. At present, only the Building Consultancy service is in there, but if the business case can be made then other services could follow. The previous contract for local builders has ended and the latest is out for consultation. The terms included will be in line with the business social charter.*

**3. Impact**

In the areas of safeguarding vulnerable groups, significant concern was expressed about the eventual impact on other services that will have to deal with the costs of the cuts, and on the voluntary sector that was being asked to do more with less.

For youth, many attendees including young people argued that the likely resultant impacts include greater levels of unemployment and crime, together with community safety issues and implications for other services and agencies.

Implications for impacts in the area of social cohesion were also flagged.

#### **4. Alternatives**

##### **Oppose the Cuts and Set a Deficit Budget:**

The cuts proposed will impact on the most vulnerable. The leadership should not be about management of cuts. The blame rests with the Government and the Tories. This administration should defy the Government and set a deficit budget. Historic reference was made to the case with Liverpool.

*As a responsible administration, it will not seek to set a deficit budget. That course of action would be illegal and civil servants would be sent in to do the job, implementing their cuts which would be worse.*

*In Liverpool when the then administration took that stance, there was the obscene situation of redundancy notices being delivered across that city by taxi. This Leader and his Cabinet are not going to back away from delivering a legal and balanced budget. This is about a Council that is trying to protect services and local people; plus minimise the effect on those most disadvantaged. These are cuts, not savings. One thousand Council staff will lose their jobs. If we do not do this, then the Government will come in and do it.*

*It was emphasised that the Leader and Cabinet are here and accountable. The officers will advise us, but that the decisions taken are theirs and they take full responsibility for them. Once taken they will be presented to the Council for consideration.*

*We welcome your ideas and views. If we can make changes whilst making the cuts, we will. That is why we are here to give you an opportunity to ask questions and to speak to us afterwards.*

##### **Equality and Diversity:**

Was consideration being given to equality and diversity issues?

*The Council is conducting Equality Impact Assessments which it will need to consider before making any final decisions. On the matter of Council redundancies, the authority has a Priority Movers Scheme and in managing this process will seek to protect the most vulnerable employees working within the Council or elsewhere. In addition, some details were given of the Council's initiative in relation to the least well paid through Birmingham's Living Wage scheme.*

##### **Management of the Council Redundancy Process:**

The view was put by an employee of the Council that the employees affected by redundancy should be treated with dignity and respect. On a previous occasion, the process carried out was atrocious.

*Regret was expressed that this should have been the case. Between 900 and 1000 people will be made redundant as a result of these proposals and those views are noted. Furthermore, the Leadership were putting in policies and practices which would seek to value staff more, celebrate their achievements and embrace their ideas.*

**Equal Pay:**

It was also queried as to why the officers, who advised to fight the Equal Pay claims in court for so long, including the Chief Executive, were still in post. Why do we need both a Leader and a Chief Executive?

*The Leader stated that he wasn't going to chase the chief executive out of his post.*

**5. Any other views or ideas?**

**Cuts in Government Support**

Has the Council addressed the question with Government about the funding Birmingham is receiving as compared to what it should be receiving? Should there be a lobby of the Government? If it is the end of local government, let the Minister take over and we can prepare for a fight together.

*A letter has been sent to the Minister, but there has been no reply. A move has been initiated to bring together the large (Core) cities to unite, in order to persuade Government. The Government is more likely to listen if we act in concert. A delegation to Government may come out of this initiative. We are also working closely with our local M.P.s.*

*The nature of local government will be different. The past was about directly providing, but in the future Councils will increasingly be commissioning organisations and some services will not be provided any more.*