

**BIRMINGHAM CITY COUNCIL
BUDGET CONSULTATION 2013+**

Public Consultation Meeting Report

**Venue & Date: The Council House, Victoria Square, Birmingham,
18th 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 The Council House on 18th 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 points made by the meeting participants.

Attendance

281 people attended the meeting on Tuesday 18th December. The attendees were from 39 different postcodes across the city.

Summary

- The meeting was characterised by a great deal of anger about the impact of the cuts in funding on children and young people, the most vulnerable and the poorest Birmingham residents. There was also heated debate on the best way to campaign to get the Government to reduce the cuts in funding to the Council. (See below, Section 3 of Summary of Discussion.)
- In common with the other meetings, the areas of greatest concern were around the impact of the budget cuts on young people, on safeguarding and protecting the most vulnerable and disadvantaged (including victims of domestic violence) and on voluntary organisations. The importance of continuing to address the needs of children in care (with references made to the need to ensure that quality of care was maintained when children were adopted or fostered) was emphasised, as were the needs of clients of the Child & Adolescent Mental Health Service (CAMHS).
- The impact of Welfare Reforms on the poorest was raised together with a call for the Council to co-ordinate support in this area with the voluntary sector and others.
- There was some debate on the Council Tax options as well as frustration that the Council did not have powers to amend the structure of the Council Tax to raise more revenue from those who could afford to pay more.
- A large number of young people were present as was the case at most of the other public meetings. There was a significant degree of concern about further reductions to the Youth Service given the important role it plays in improving work and life opportunities for young people. Opposition to further cuts to the Connexions service also featured in the discussion. The need to monitor and challenge the responsibilities and funding that schools have in these areas was acknowledged, as were the greater opportunities for linkages and co-ordination with other locally-based

activities provided through the transfer of both of these services to the Local Services Directorate.

- The importance of retaining the work of Supporting People organisations to provide both advice and help in implementing that advice was stressed a number of times. These comments also linked with a real concern about the impact of spending cuts on the voluntary sector.
- An attendee expressed a desire to see the reopening of swimming baths. While work on Sparkhill Baths is going ahead, it was explained that some plans had to be postponed because of the need to use a great deal of the Council's room for borrowing to meet Equal Pay claims.
- The degree of savings to be achieved in the future through 'Service Reviews' on which little detail was currently available was highlighted by a member of the audience. This linked to requests from some for more bottom-up consultation processes in the future including participatory budgeting approaches.

Questions for Clarification

- Would you clarify that the proposed savings for 2013/14 in the Consultation Document are in fact cuts, as people will be losing their jobs and services? *The word 'Cuts' has been used consistently throughout the Consultation document, apart from where reference has been made to decisions of the previous administration and which will continue to provide savings into the 2013/14 financial year. We are now beyond making efficiency savings and now talking about cuts. These cuts will have a real impact on the residents of Birmingham.*
- I am a member of the Citizens Panel for Supporting People. Could you clarify the savings headed 'Service Reviews' on page 12 of the Public Consultation Document which amount to £450m over 4 years. Are these cuts and where are these cuts coming from? Will they affect organisations, such as those involved in Supporting People that deal with vulnerable people? *The Service Reviews and this Budget are not set in stone. We want to try and shape budget around your views – what should be kept and what should not. By the time of the Cabinet Meeting in early February, we will also have the Government's response and the settlement figures informing whether the level of cuts necessary will be £110m, or somewhat more. Your views will definitely help shape the outcome.*

Summary of Discussion

1. Views on the three Council Tax options

What are the costs of holding a referendum on a Council Tax rise and is it worth doing?

There would be a need to set two budgets, one for an increase in Council Tax that required a referendum and one with a zero or lower Council Tax rise. If the vote was no, then there would also be the cost of sending out new Council Tax demands. Overall the cost would be in excess of £1.5m, perhaps as much as £2m. That is why this is not the recommended option.

There is £120b in uncollected and offshore taxes by companies. We voted Labour to fight the cuts not implement them.

Agree with you that it is obscene that this goes on and people and companies get away with not paying Tax. We also agree that the Government should do more to close those loopholes and pass some of the additional revenues to local authorities. However, in terms of what the Council can affect, the only area is Council Tax collection. We are up

to a 98% collection rate now, and we are trying to maximise the bringing in of Council Tax, wherever possible.

I am registered blind. With regard to the Council Tax rates, is there any wriggle room to address inequality at the rates in the top two bands, where a poorer person living in a large property has to pay a rich person? The contract set up with Capita for Service Birmingham is obscene and robbing us blind. Capita collect the rates. We are owed £70m in unpaid rates. Most common reason given is 'will not pay' and not 'cannot pay'. So what are we doing about negating, cancelling the contract?

Regarding wriggle room on taxes, unfortunately, in the Chancellor's Autumn Statement no new property-related taxes were announced. The opportunity was passed up by the Government.

The Council has been talking with Capita about it making a contribution to the budget cuts being faced by this City. It is moving out of expensive building, saving £1.4m. We are also asking Capita to reduce its bill to the Council by one-third, which equates to some £20 m.

Raising Council Tax, how does that benefit me? If the Government is offering money, then I am for that.

With regard to the Council pursuing the option of freezing of Council Tax, the Government's offer is only available for 2 years. All we will do is put off the evil day when there will be a much bigger problem. Consequently, it does not make economic sense to accept bribe.

2. Key Concerns

Adults & Communities

I am concerned about all the cuts being proposed in Adults & Communities and Children Young People & Families. None of those services should be got rid of at all.

Voluntary Services:

I am concerned about what has not been said about the importance of protecting the front line. Massive cuts are proposed to the voluntary sector including those supporting vulnerable people. How will this work? The City, unfortunately, has history of disturbance and protest. People will have no choice, but to protest. How will you deal with people taking to the streets?

The voluntary services referred to are largely funded through the Supporting People programme, which is shown on page 25, bullet point 13 of the Public Consultation Document. We are proud of our partnership with organisations within this programme but it is a £41m budget within the Council's controllable spend, so it is impossible to avoid looking at it. We have been able to rationalise some of the back room costs, so we are not proposing any cuts that will impact on the front line in next year's budget.

There was a great deal of concern expressed by a number of attendees about the impact of the proposals on the voluntary sector. What is the difference between third sector and voluntary sector? Why does the Consultation Document propose savings within third sector budgets but cuts in voluntary sector budgets?

The third sector refers to service provision that is not by public or private sector organisations, but by voluntary, community and not for profit organisations. Voluntary is a subset of the third sector involving volunteers in the governance of the organisation. They tend to receive grants for the services they provide rather than the contracts for

service provision by not-for-profit organisations.

The approach on third sector commissioning is explained in bullet point 12 on page 25. There is a very specific pot of £9m for commissioning of services from the third sector and the proposals protect this pot at that same amount for next year. However, we will need to look at innovation here to help us grapple with the need to find savings which preserve services in future years. The saving shown here for 2013/14 is the use of an underspend in the current year to make a one-off saving.

Vulnerable Groups:

What about women who are destitute or victims of domestic violence and abuse? In Birmingham, 52% cannot find refuge support. How can the Council cut the budget for this and choose to sacrifice lives and quality of lives of women? We have tax avoiders out there, whilst women are being abused.

We do not recognise those statistics from discussions we have had with Birmingham's Women's Aid. However, we will undertake to go back and talk to them to clarify. This administration has put in place a 'Victims Champion (Councillor Phillips). He will be taking a proactive lead on these issues and work to make sure we are doing the very best things for victims of domestic violence. We will also need to look collaboratively at what we do well and what not so well, and whether we can spend the money in better ways.

Supporting People:

I am a Citizens Panel member. There are people with complex needs. They need more than just advice. They need skilled workers to help them implement that advice.

I am service user with substantial complex needs. Interested in the savings in the meals on wheels service for elderly people. Would there be savings if the Children Young People & Families and Adults & Communities Directorates came together? What about the statutory needs in relation to autism?

Thank you for being on the Panel; it enriches our practice. We are aware of some of the problems and teething issues relating to the new system regarding micro-commissioning. Please keep on giving feedback so that we can tackle these issues. The social care system was invented in mid-20th century after WW2. We need to redesign something that is fit for purpose in 21st century.

The previous administration made the decision to end the subsidy for meals on wheels. However, the old system did not make the grade in producing good, hot and nutritious food. Things have moved on and alternatives are available, but we do recognise that there will be exceptional cases where we need to deliver such meals.

With regard to the duties of the Autism Act, we should talk after this event. We are making progress as we come to terms with the provisions. However, if we are missing obligations towards autistic young people, we need to put this right.

The Council is trying to do things cheaper and Children Young People & Families and Adults & Communities are working together, but we also recognise that there are lots of issues that need to be addressed.

There are areas where you can make improvements in housekeeping. There is virtually a cartel for the provision of care. We have tried to get companies to use open book arrangements without much success. Can't we put this requirement into their terms of contract and get them to provide us with data?

Children Young People & Families

Children and Youth Services:

I am a teacher and I have concerns about the cuts proposed for Children Young People & Families. The previous Council administration cut back on services for the most vulnerable, e.g. Children and Adolescent Mental Health Services (CAMHS), Youth Service, Connexions. We need to champion children and particularly, Children in Care. I do not support closures in children's homes. Fostering is not an easy alternative, but extremely difficult and demanding. With the state of the economy as it is, people will be looking for possible jobs and income including fostering. However, they do not always have the background and training to become good foster parents and the children they foster may not get the support they need with long term consequences.

The Council appreciates that it is not an easy time economically. Children Young People & Families has a fragile budget. It is suffering from top slicing by the Academies and the difficulties with having to manage the unachieved savings from this year. There is the serious issue for the Council with the Ofsted Report about the inadequacy of Safeguarding Services for Children, an area we need to ring-fence. With regard to Children's Homes, the view being taken is that the cheaper thing to do is also the right thing. The vast majority of children will have a better start if adopted or fostered. However, we will keep some Homes open, because not all will benefit from the available adoption/fostering opportunities.

On Connexions, the Council will provide the statutory minimum. We need to look to school to pick up these services as these are areas where they have both the responsibility and the money.

For Children and Adolescent Mental Health Services, the proposals will have an impact on CAMHS but the Council will try to minimise the effects on the most vulnerable through work with Health.

A point was made that cutting funding to parent partnerships was not a good idea.

On parent partnerships, we have tried to protect it, but it is so large that we cannot protect it entirely.

I am a member of the UK Youth Panel. I am glad that the money goes into schools, but how can you say you are funding for the future when you are cutting Youth Services?

I am married with one child. With regard to the proposed closure of children's homes, I enquired about adoption, but did not meet and would question the criteria. You need to look at the adoption system and how it operates. Services are being put to the market. I am a social worker and own a care home for the past seven years, but I do not earn a lot. Do not lump us all together.

The Council appreciates that it does not manage adoption well enough. We are carrying out research to find out what we are doing wrong and how we can fix it. The cut to adoption is very small. We are trying to protect young people in care and invest in them. The Council cannot pretend that the 21% cut will not make a difference, but will be trying to protect the most vulnerable and disadvantaged young people.

I am young person from Handsworth, which is amongst the poorest areas. It costs £30.5k for a prosecution, £300k for the investigation of a stabbing and £1.2m to investigate a shooting. Most of these crimes are committed by youths. The only reason we do not commit these crimes is because we have a youth club. I also got a job with the help of my youth worker. By cutting Youth Services, it will result in drugs,

crime and retaliatory actions. There are not enough other choices for some young people. They have nowhere else to go. Can you handle what's going to happen as a result of cutting the Youth Service?

We are looking at localising the Youth Service and making it more joined up and responsive to local issues. The Council will also be going back to schools for that money and back to Government.

One shining light at all four of these meetings has been the engagement of young people with the political process. There is an imminent meeting with the Chair of the Schools Forum and the Council needs to get an on-going undertaking that the £1m will be put back into the Council's coffers.

Connexions:

When previous cuts were made to Connexions, the Handsworth, Aston and Erdington offices were first to close, leaving us one office in the city centre. Birmingham is bucking the national trend of falling youth unemployment. You cannot cut the service that helps the young vulnerable and unemployed people. It has been mentioned that there might be money available for young people and I want to know that this will be set aside to protect them.

In 2012/13, £4m was provided by the Schools Forum to assist with family services. £3m of that was for the Integrated Family Support Service and £1m for the Youth Service. A month ago, the Schools Forum decided that that £4m would not be made available to the Council in 2013/14. You need to persuade governing bodies to get the Schools Forum to put it back.

For Connexions, yes there is a cut. It will be reduced down to meet the Council's statutory responsibility, but we want it also to compete to provide services to schools. It will remain in the Local Services Directorate where it can become a more joined up and enhanced service.

Corporate Resources

Welfare Reforms:

Welfare Reform, Universal Credits and Bedroom Tax; all of these will be affecting me. I do not mind downsizing but it will take time and it will be hard to find extra money to pay the landlord in the meantime. How will the Council help and will there be a safety net for me if and when I get myself in debt, as I cannot afford the payments from benefits?

The Council recognises that Welfare Reform is a huge issue for people and for Birmingham. 30,000 people will be impacted. 9,000 Council tenants and those with housing associations will need to downsize. The Council will be trying to assist people through the downsizing process, but many people do not know what is down the line for them. We are bringing agencies and partners together to form a multi-agency taskforce to try and frame a response to the welfare changes. In particular, how do we communicate with people and how do we co-ordinate support through a Hardship Fund, and creative use of the Social Fund from the Department of Work and Pensions. We cannot protect everyone, but will try to put in a shield.

Local Services

Swimming Baths:

I am an NHS employee. Sparkhill Baths been closed for 4 years and the funding for Moseley Baths has been scrapped. Sparkhill has one of the highest rates of deprivation in the country. Reports that the funding for Moseley has been scrapped. Can the

Council give me some reassurance that (Sparkhill) baths will open?

For Sparkhill Baths, the Council is committed to progress with the scheme. It will be refurbished and reopened. Moseley Road Baths is in a different position. It is linked to Equal Pay issue. In order to meet the bill of some £750m, the Council had to seek permission from the Government to borrow a larger amount. The Government's response was that the Council had to raise some of the borrowing from its own resources. So we have had to trawl through our capital programme and identify anything that is uncommitted. This means that we are unable to allocate the funding or find the £3m match for Moseley Baths, because we will be required to meet some of the additional borrowing from our own capital resources.

I do not want three wheelie bins if it is going to cost money. Some of proposals will cost money as well as take away the services.

The wheelie bins are about saving money. If we don't invest in a more modern way of collecting refuse, there will be an £8m problem to address in a few years' time. We will, be consulting on that too.

3. Alternatives

Debate on how to fight the Cuts and setting a needs-based deficit budget

I am a social worker and I would expect a Labour Council to oppose the mantra of more for less. The Labour Party fought for the Welfare State, protecting the elderly and not closing elderly person's homes and day centres and asking the market to provide. The market is about making a profit and not about protecting the most vulnerable. I want to see this Labour Council aligning with other Labour councils, such as Liverpool, and with the TUC and put forward the spectre of a deficit budget. Several other contributions were made along similar lines.

This City Council will not be seeking a deficit budget, but a balanced budget. We would remind you of the 1970s and Clay Cross. There, the Councillors were fined and the courts raised the fines and sacked them from the Council. A balanced budget was then imposed on the Council.

This administration will not take Birmingham into the obscene chaos of Liverpool in the 1980s. Everyone knows what happened there. This Council, together with Leaders of the other Core Cities, have written today to the Minister asking for an urgent meeting to discuss and explain the issues.

We are here to consult on the 2013/14 Budget, but we recognise the anger about what the Government is doing to local authorities up and down country. The Government is not being fair to local authorities. The average cut for a local authority is 28%, whereas the average for central government departments is 8%. Beyond that the major cities are being asked to bear brunt of cuts for local authorities in England.

Agree with calls to do something about it, but not by shouting at us. You have got to unite behind a campaign about the unfair way that Government is singling out areas for cuts and, particularly, the local authorities of the major cities. Join us in doing that.

With regard to privatised services costing up to three times more, is not a figure we recognise. However, we understand that people feel profit comes from somewhere, so it must cost the Council more. The most important thing is to provide the services. The Council spends £1b on contracts and is always looking for value for money. We are

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consulting on the Birmingham Business Charter for Social Responsibility, through which companies are able to provide other benefits to Birmingham. These benefits would include areas such as employment and training for young people, local employment, partnerships and adoption of the Birmingham Living Wage.

The core issue is not being addressed and I think that no cuts are necessary. The money is available for bailing out banks, imperialistic wars, borrowing to line the pockets of bankers and companies. Look at what Iceland did. They replaced the government and arrested the bankers. Their economy is thriving.

I am a teacher at an F.E. College. I recognise the difficulties that this Labour Council is in, but I did not come here for this. One of my subject areas is the 'law'. There are examples in law of collective protest, such as with the Poll tax in the 1980s. On campaigns, you, as councillors, need to be there with us and not be neutral bystanders. These cuts are so extraordinary, so not here for empty rhetoric, but what is the alternative? I came here to hear some political strategy. There is an alternative, stand up and lead a fight.

I am involved in Neighbourhood Watch. If cuts go ahead there will be riots again in Birmingham. I hope it will not happen. We have the highest levels of deprivation in many areas and have major problems with detritus and rats. People will resort to crime to get money for their families. No mention of senior officers taking a pay cut. Councillors of whatever colour should join together to fight for the people of Birmingham. What are we leaving our kids? Not a lot.

Why is the Leader of the Opposition, who have been in power for the last eight years, not speaking now? And, is he willing to do his bit to tell the Government that we are not happy? We need to unite as City and go forward to Government.

We would draw your attention to the Guardian Online article, which contains quotes from a number of local authority leaders. These include the danger of riots, that the tank is running on empty and that the cuts are unsustainable. This Council will put as much pressure on Government about the unfairness and the front loading of cuts onto local government. We will be working with others and the TUC to make those points.

I am a Sparkhill mother with two young children. Children's' centres, swimming pools, libraries and leisure centres closing. I use these services. There will be a lowering of educational attainment and abuse will grow. Your letter to the Minister is not sufficient. When the bill for Equal Pay came through, you asked the Government to step in. If this Council set deficit budget, then it would cause a crisis up the line. Look what happened with Lansbury in Poplar, London. They were prepared to mobilise. It should not be the poorest who should have to pay.

You are announcing cuts. I have a one year old child who will have no future. It will not be a riot, but a revolt. What are you going to do about that?

The Government is not listening and they need to. We agree with you 100%. The cuts are throwing up a lot of anger and there may well be some of those consequences on the streets of Birmingham. We sincerely hope that it does not come to that.

We would draw your attention to one set of figures from a TUC Report into the public sector cuts and which put a monetary value on services lost. If you are poor, you have not got the money to replace services being cut. However, the rich can replace those services. For the rich, the effect in monetary terms is 2.5% of income lost, but for the

poorest, it would be in excess of 30% in 2016/17. By 2017/18, it grows to 3% for the rich and 38% for the poor. That is the extent to which Government is hitting the poorest of society.

This is not just a matter for the Council, but also a responsibility for you to tell the Government that that is not on and needs to stop.

The people of Birmingham did not create the deficit and they should not have to pay for it. There is nothing left to cut. You need to think strategically about removing the burden on the poorest and the needy. Is this really a true consultation or is this just a paper exercise? Will you take points on board or will they be put aside and go on with the show?

There is a tone of abject surrender with reference to 'jaws of doom' etc. The Minister and the Government would be really pleased that there is no opposition. Not surprised that has been no reply to the letter, when you are not showing any guts or bite. Why should the Government listen if you are doing what they want?

We need to stand together like at Liverpool and say no cuts acceptable. Get the people onside, but you can only do that if you set a budget that meets their needs. Every service is important to someone. A divided army is a defeated army. If we say 'No' to the cuts, does that mean you will set a Budget reflecting this or will you just do what you were going to do all along?

No, there is no abject surrender by Cabinet. We are making the case known to Government in our way and we would ask you also to do something.

The law has changed; you can set an illegal budget. It happened in Greece and the EU Commission moved in and imposed a budget. How much does it cost to privatise a service; as much as three times more? Can we pass a resolution rejecting the budget proposals and requiring you to set an illegal one?

This is genuine consultation. We recently completed a consultation on Council Tax Benefits. The protection by Government was only for pensioners. The Council was consulting on extending that to other groups. Following these Budget Consultation meetings, we are now looking at including carers and those affected by changes in disability living allowance into the scheme. At the meeting held on the 15th December, the Council gave further undertakings to see what could be done to help Birmingham's Citizen Advice Bureaux and we are talking to them. Comment was made on the Council's spend on agency staff; and this is to be acted on. These are all examples of where we have consulted and listened.

Let us not fight amongst ourselves. Is not the groundswell of opinion that we should unite behind a campaign. While we may have to make these cuts now, but not have to do it again.

4. Ideas for Continued Engagement

This public consultation still feels rather top down. We need information to make decisions. In Porto Alegre, Brazil, they have participative budgeting, where it is bottom up from the neighbourhoods to the city authorities. Can we look at this?

We recognise the importance of what you say. Next year, it will be a much more bottom-up and inclusive process and we will look at the possibilities of participatory budgeting approaches.