

Budget Consultation 2019+

November 2018

Cross cutting



Making a positive difference

 Birmingham
City Council

SAVING PROPOSAL FACTSHEET

CC101 19+ Consolidation of satellite contact centres

Directorate: Strategic Services

Service: Customer Services

About this service

The customer services team delivers the councils contact centre, which is the front door of the council for 19 services and receives 2 million telephone calls and 65,000 emails each year from citizens needing to access council services. The contact centre is highly skilled in delivering efficient services provided by the utilisation of workforce management capability, it also closely monitors staff to ensure they are adequately trained and coached to deliver a high quality service to our citizens

Proposed changes

Proposal for two contact centres that currently sit within directorates will be incorporated into the corporate contact centre. The services that have been identified are:

- Adults ACAP
- Tenancy & Estate Management (TEM)

The amount currently spent on the service and the proposed reduction is shown below.

| Total Spend | Income 18/19 | Net Spend | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-------------|--------------|-----------|-----------------|-----------------|-----------------|-----------------|
| | | | (£0.175m) | (£0.175m) | (£0.175m) | (£0.175m) |

What would this mean?

Contact Centre industry standard resource analysis has been carried out to identify the efficiency savings that could be made should these services transfer into the corporate contact centre. The savings would be made by consolidation and ensuring our customer service advisors time is better utilised by adopting workforce management principals, such as call forecasting, set shifts, scheduled breaks/lunches. Effectively adopting contact centre management principles which drive efficiencies within the operation, without compromising the delivery of a quality service.

Applying these techniques will therefore deliver savings from within the teams transferring in. In addition, the consolidation of these staff within the Contact Centre will deliver savings within the overall Contact Centre operation. This is due to the fact that each of the operations have synergies in functions such as Resource Planning, a combined function would deliver efficiencies across both funding mechanisms.

So whilst some of the teams transferring in are HRA funded, for which any saving generated will be retained within the HRA, there would still be savings delivered to the general fund because of this.

We will try to reduce the impact by

Transferring these services into the corporate contact centre will not impact any of our citizens, as we will ensure that the same level of service is provided and in fact be looking to improve how we deliver the services where at all possible. Calls will be quality monitored to ensure our advisors are providing a good quality service to our citizens and we will also use customer satisfaction tools to measure the quality of our service.

SAVING PROPOSAL FACTSHEET

CC102A 19+ Consolidation Programme, Staff Consolidation

Directorate: Strategic Services

Service: Business Improvement

About this service

Birmingham City Council currently has a mixed operating model of centralised and decentralised support services which includes Programme & Project Management, Performance, Governance, Insight & Analysis, Administration, ICT & Digital, Communications, Learning & Development and Change Management activities.

Proposed changes

This proposal seeks to fully consolidate support services resulting in the identification of 876 full time equivalent posts being in scope to transfer from decentralised teams into a centralised function.

It is envisaged that a wholly consolidated model will generate efficiencies by reducing duplication, line management layers and by ensuring that there is consistency of job roles, improved work allocation and maximisation of resources.

The amount currently spent on the service and the proposed reduction is shown below.

| Total Spend 18/19 | Income 18/19 | Net Spend 18/19 | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| £N/A | £N/A | £N/A | (£0.649m) | (£0.649m) | (£0.649m) | (£0.649m) |

What would this mean?

The proposal will result in a reduction of approx. 14.5 FTE posts across all support services, as listed above, and will not affect service users.

We will try to reduce the impact by

We will try to mitigate and reduce the impact on employees by holding any vacant posts as they arise and if applicable seek applications for voluntary redundancy

Saving proposal factsheet

CC103 19+ Review of Non-Essential Expenditure

Directorate: Cross cutting

Service: All services

About this service

A detailed review of a number of non-essential administrative expenditure budgets has been completed across all directorates to identify opportunities to deliver savings. This has identified ways to stop or reduce particular types of expenditure and by making operational changes to provide better coordination and improve control mechanisms to minimise expenditure and deliver ongoing future efficiencies

Proposed changes

The Chief Executive and Chief Finance officer issued a freeze on non-essential expenditure across all directorates and types of expenditure in October 2018 until further notice. This will require officers to review and challenge the need to incur expenditure on supplies and services, proactively finding lower cost solutions, increase the sharing of resources between directorates and to stop or reduce expenditure that can reasonably be avoided in the normal course of business.

These changes will be monitored through a Consolidation Board alongside other workstreams. These management actions will contribute towards managing expenditure within budget in 2018/19 and will also enable budget reductions to be applied in 2019/20.

As an initial step, a review of historically underspent budgets has been carried out. Budget savings have been identified across all directorates in relation to expenditure such as external accommodation hire, travel, newspapers and periodicals, furniture and equipment, printing and photocopying, consultancy and professional fees, hospitality and other miscellaneous budgets.

In addition, through the centralisation of stationery budgets there will be better visibility and coordination of purchases.

| Total Spend 18/19 | Income 18/19 | Net Spend 18/19 | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|------------------------------|-------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| £4.750m | £0.000m | £4.750m | (£1.380m) | (£1.380m) | (£1.380m) | (£1.380m) |

What would this mean?

It is anticipated that there will be no adverse implications for service users as the proposed savings relate to achieving greater levels of efficiency within the administrative and operational practices of the council.

We will try to reduce the impact by

Not applicable .

SAVING PROPOSAL FACTSHEET

CC104 19+ Commercialisation

Directorate: Strategic Services/All

Service: Commercialisation

About this service

This proposal encompasses all services that the Council provides that involve a charge for accessing a service or product.

Proposed changes

To support the ongoing sustainability of a range of services an approach is being undertaken across the organisation to review fees and charges to ensure that they recover the total cost of delivery or where appropriate return a surplus to be reinvest in the ongoing delivery of other services.

A range of information is being utilised to support the review, including cost information, charges in similar local councils and also charges levied by other providers (e.g. private businesses) to deliver a consistent approach to charging across the organisation.

The amount currently spent on the service and the proposed reduction is shown below.

| Total Spend 18/19 | Income 18/19 | Net Spend 18/19 | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| N/A | N/A | N/A | £0.450m | (£0.825m) | (£0.825m) | (£0.825m) |

What would this mean?

The key impact on service users is that there is modelled to be an above inflationary increase on the fees and charges levied for services, thus increasing the direct cost to the end user.

It should be noted that the benefit to the service user is that moving to full cost recovery/surplus approach will ensure the ongoing sustainability of a range of discretionary services and also protect the provision of statutory services by enabling surplus to be reinvested as appropriate.

It is likely that during the implementation of these proposals there are a number of service lines where it is demonstrated that they will not achieve full cost recovery, in this instance consideration will be given to withdrawing, reducing or redesigning of the service.

We will try to reduce the impact by

Although a general principle of an average 5% increase of fees and charges has been proposed this will be applied with discretion across the organisation, with consideration given to mitigating the impact on pricing of services that are most accessed by vulnerable groups.

The pricing strategy for each service will also be considered in balance with policy objectives.

SAVING PROPOSAL FACTSHEET

CC105 19+ Consolidation Project – Transport Work stream

Directorate: Cross cutting

Service: Transport related services

About this service

Currently the Council's transport functions are managed by individual Directorates with each focussing on their individual service area requirements. Specialist support in respect of insurance, procurement and maintenance is provided through centralised functions.

A number of other Local Authorities operate an Integrated Transport Unit (ITU) approach in order to deliver improved service delivery and reduced costs, bringing together all fleet management, maintenance, passenger transport planning and provision, procurement and contract management, performance monitoring and management functions across a range of service areas.

The scope, structure and governance of an ITU can vary and the Council is currently assessing the various options in order to determine the best approach moving forwards.

Proposed changes

It is proposed to manage the Council's transports functions from a central team rather than across multiple Directorates. This will ensure a more strategic approach to fleet and plant management and lead to improved service delivery and lower cost.

The proposed net reduction in costs is shown below.

| Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-----------------|-----------------|-----------------|-----------------|
| (£0.400m) | (£0.800m) | (£0.800m) | (£0.800m) |

What would this mean?

This means reviewing those Council functions that currently deliver or support services that use transport and designing a strategy, structure, policies and governance in order to remodel service delivery through a central function. This includes:

- Reviewing current strategies, policies, systems and data;
- Reviewing the current structure, staff and services currently in scope and associated budgets;
- Developing a detailed functional design including services to be provided, financial and human resources, roles/responsibilities, skills and property requirements.

The aims include:

- Improving strategic approach, service delivery;
- Generating cost savings through implementation of Council wide transport standards, updating policies and contracts, governance & procedures and improving asset management;
- Reducing where possible the costs of staffing and systems;
- Delivering more cost effective travel arrangements;
- Generating income from collaboration with, or providing services to, 3rd parties.

We will try to reduce the impact by

The implementation of an ITU is intended to provide a more strategic approach, delivering improved service delivery and lower costs. As a result there are no anticipated negative impacts for the Council.

SAVING PROPOSAL FACTSHEET

CC106 19+ Contract Management Savings Opportunities

Directorate: Strategic Services

Service: Commissioning & Procurement Services (CPS)

About this service

Commissioning and Procurement Services provide leadership in commissioning, procurement, contract management and commercialism enabling the commissioning of products and services to deliver council outcomes and priorities in an innovative, commercially viable, financially beneficial and socially responsible ways.

Proposed changes

The proposals are to target savings through:

1. Re-tendering of the current Constructing West Midlands Frameworks Lots 1-4 and the Acivico building fabric and maintenance framework. – Saving predicated on Cabinet decision on the future of services provided by Acivico being made at December Cabinet as report will enable the procurement process to commence. Saving will not be realised until Q3 2019/20.
2. Contract extensions or in flight tenders.
3. Negotiated reduction in certain management fees – Saving predicated on further financial validation, Service area leads agreement to proceed and successful negotiations.
4. A reduction in the inspection frequency of lifts within corporate buildings whilst maintaining health and safety compliance – Saving predicated on Property Services validation and agreement to proceeding with this initiative.

The amount currently spent on the service and the proposed reduction is shown below.

| Total Spend 18/19 | Income 18/19 | Net Spend 18/19 | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | | (£0.300m) | (£0.400m) | (£0.400m) | (£0.400m) |

What would this mean?

Following a detailed review of a range of contracts, due to be re-tendered or re-negotiated over the next 18 months, there are a number of opportunities to drive further efficiencies through negotiation. As a consequence, the cost of a range of products and services will be cheaper for the council to purchase and therefore it will be able to deliver a range of services, including those providing support to citizens, at a lower cost and on an ongoing basis.

There should be no impact on service users as any re-tendered or re-negotiated contracts will ensure that existing service and quality standards are maintained including statutory minimum requirements.

A risk based approach will be adopted with re-tendered or re-negotiated contracts and any health and safety implications will be fully assessed.

We will try to reduce the impact by

Ensuring that contract specifications and service delivery requirements are maintained wherever possible and any impact on quality, frequency and cost is fully risk and impact assessed to ensure any impact on service users is either mitigated or minimised.

Saving proposal factsheet

EC103B 19+ Operational Hub Programme

Directorate: Economy

Service: Birmingham Property Services

About this service

Birmingham Property Services manages the council's commercial and non-commercial property portfolio. The City Council is the single largest owner of property in Birmingham and holds the largest land estate of any UK local authority, extending to 26,000 acres. The portfolio, excluding residential homes, infrastructure and schools, has an asset value of over £2.4 billion. Income-generating assets attract an average of £32m rental income per annum whilst capital receipts from asset sales average £30m per annum. There are 6,500 property assets (land and buildings) in the portfolio and over 330 of these have historic interest.

The council presently has a large and varied portfolio of front-line operational premises (non-commercial). This proposal will facilitate the effective utilisation of these assets through the creation of an estate of fit-for-purpose public hubs and rationalisation of unsuitable/under-utilised buildings.

Proposed changes

This proposal seeks the effective utilisation of the City Council's operational property assets through the creation of a portfolio of fit for purpose public sector hubs and rationalise unsuitable, under-utilised and expensive to operate buildings.

The amount currently spent on the service and the proposed reduction is shown below.

| Total Spend 18/19 | Income 18/19 | Net Spend 18/19 | Saving in 19/20 | Saving in 20/21 | Saving in 21/22 | Saving in 22/23 |
|-------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| £0.025m | £0.000 | £0.025m | (£0.161m) | (£0.122m) | (£0.308m) | (£0.337m) |

What would this mean

Operational premises in scope include community centres, youth centres, adult education centres, leisure centres, community centres, day care centres, housing offices, children's centre etc. This mirrors the Operational Property theme within the new Property Strategy to be approved by Cabinet shortly. As a result a number of poorly maintained, poorly sited single service premises will be decommissioned and disposed. It is recommended that the initial activity be focussed on the City Council's own property holdings with medium and long term solutions sought with public and third sector partners.

However, this will mean a notable reduction in the number of direct frontline service outlets being offered.

We will try to reduce the impact by

It is envisaged that the new “hub” buildings will be open longer and on more days than many existing facilities and will not be badged under a particular service making the buildings more accessible and available for multiple uses.

These hubs will be supported through a range of additional facilities, “spokes”. These may comprise facilities located within buildings leased by the City Council to third sector organisations or service access points in retained City Council single service outlets. The City Council would also attempt to capture and hold details in a directory of facilities across the sectors that are available for groups to hire.