

Birmingham City Council
Improvement Stock-take Report

29 June 2018

Introduction

“The first lesson I would take from the fact that BIIP has been in place a long time, too long really. This is because we failed to address some of the issues that were in the Kerslake review and we need to get on and do this.... We have got to do the work that enables them to have the confidence in this organisation.”

The Leader of the Council – May 2018

improvement. The structure of the report seeks to be consistent with previous updates

Political Leadership

This section concerns effective political leadership working as a constructive partnership, with clear definition of roles and a shared agenda with the Council's senior officer team.

The period since 2014 has been marked by significant turnover in the senior political and managerial leadership through voluntary or negotiated departure and recourse to interim appointments. This enabled major organisational change to be secured but was experienced by many as disruptive and protracted.

The INLOGOV report (2017) provides a baseline of issues for political groups to consider and subsequently tackle. All such issues remain pertinent in 2018 and make up an important part of the Council's corporate governance programme, including:

- The need to look beyond the BCC 'bubble' to understand emerging best practice around public service reform;
- Hierarchies within BCC can impede the development of effective working relationships between officers, Members and partners;
- A tension is developing between the new and more traditional ways of working;
- There is a call for more collaborative approaches;
- A blurring of officer, elected Member and partner roles is taking place; and
- A softer set of skills will be needed in future, including listening, learning from others and engaging with residents in a variety of ways.

The judge's findings in relation to the waste dispute of 2017 highlighted member-officer relations and local disagreements about role definition, with the judge noting that, "neither party (officers or members) comes out of this sorry saga with any credit at all."

From 2018, in line with a key recommendation of the 2014 Kerslake report, inaugural elections following boundary changes have ushered in a common four year term for councillors, with the next 'all out' election in 2022. Subsequently the Leader and Deputy Leader, elected by the controlling Labour Group, enjoy a four-year term as part of a review of Labour group protocol. The number of councillors has been reduced from 120 to 101, based on one or two-member wards. The Council also recruited, through permanent appointment in early 2018, a Chief Executive, Assistant Chief Executive and a Chief Finance Officer, while extending the contract for the Director of Adult Social Care and Health for two years. This provides internal stability to deliver long-term strategic planning and culture change, although the external environment continues to be marked by significant uncertainties and challenges.

Importantly, the Cabinet from May 2018 is more diverse, with half the ten Cabinet Members being women and four of the ten Cabinet Members from black and minority ethnic (BAME) communities. It is also a significantly younger cabinet than previously. The Cabinet changes also highlighted the improved emphasis on financial grip and internal challenge with the creation of a new Finance and Resources portfolio. Progress has been made over recent

updated to reflect the new administration’s manifesto, while providing a strong platform for service reform over the four year period. Performance monitoring against identified key performance indicators (KPIs) has been central to the revised approach to the performance management framework introduced in 2017-18, but this will now be thoroughly reviewed to ensure alignment to the new Council Plan agreed by Cabinet in June 2018. It will bring in changes that will provide comparability with peer cities and aim to promote a more consistent focus on outcomes and encourage ‘stretch’ in terms of our performance ambitions.

The Overview and Scrutiny committee structure and support function has also been reviewed on a cross-party basis with the findings reported to Full Council in March 2018. Whilst not all recommendations have been implemented

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Low staff survey response rates indicated significant silo-working, detachment of senior management and a lack of effective communication. It is accepted that internal communications has not always been cross-directorate, strategic and timely and there are ongoing improvements being made to establish a consistent one-council approach.

The Chief Executive and Council Management Team (CMT) are committed to developing a joint, overarching approach to communications. A specific internal communications strategy, informed by LGA's recommendations for improving communications, is being developed. There will also be ongoing training for Members around internal communications networks to enable more agile provision of information.

Managerial Leadership

This section concerns effective managerial leadership working as a constructive partnership, with clear definition of roles and a shared agenda with the Council's Elected Members.

As noted above, since the Kerslake Report the Council has seen a high degree of turnover in critical senior positions, a high proportion of interim post holders and extensive unfilled vacancies. Prior to and since the Kerslake report publication, the organisation has lost a wealth of experience and skills at all levels through rounds of redundancies necessitated by cuts in local government funding and spending. This has proved challenging and has been reflected in some of the staff survey responses relating to senior management and leadership (e.g. only 21.6% of respondents felt the Chief Executive and strategic directors keep their promises (2016 survey)). However, it is accepted that the Council was not proactive about redesigning and implementing its redundancy and other human resources policies which prevented it from retaining and developing the talent and experience needed in the way other councils have managed to do so. It is also accepted that key staff survey responses have remained consistently low both prior to and since the Kerslake review (e.g. only 35.6% of respondents to the 2016 survey agreed that senior managers were sufficiently visible and accessible to staff at all levels and only 33.3% agreed that the Council is good at engaging staff in the way that they see it). Staff surveys conducted in 2015 (e.g. 5.5) and 2016 (e.g. 5.5) also indicated that staff felt that the Council was not doing enough to improve its leadership and management. (e.g. 5.5)

- Changes to Council Management Team (CMT) arrangements to embed rigour and forward planning and use of technology to address staff resistance to change (for

March 2022, the Council will have taken more than 50% from its net annual budget. Partly in response to this, and partly because the Council has not taken or effectively implemented the difficult political decisions required to 'grip' and address its financial challenges the Council has reached to its reserves to stabilise its financial position. This has exacerbated the challenges the Council will face in the next two years.

While it is the national policy position of the LGA and the national Labour Group to challenge

and ring-fenced account reserves for specific items of expenditure. Where a service identifies that its budget is going off-track there will be a hierarchical approach to bringing the budget back on-track:

1. The service will be expected to identify recovery plans and/or new savings proposals to bring its own overall spending back in line with the agreed budget;
2. Where such mitigation is not possible, CMT will consider how it may re-balance budgets across the Council to achieve the same aim;
3. Only with these routes exhausted and so as a last resort would CMT and Cabinet consider whether it would be appropriate to apply reserves.

To support this, the Finance function itself is being redesigned to promote effective business partnering supported by a strong technical core – with 20% less resource. Achieving this ambition and changing how the Council manages its finances will demand a broader set of skills and will require a fresh injection of new thinking.

Community Cohesion

Community cohesion is a key priority for the Council. Recent progress has included a partner summit in December 2017, which enabled proactive engagement with local partners and city exemplars; the hosting of an MHCLG working session; and follow-up engagement to seek to achieve alignment between national, WMCA and local strategies. Our new Community Cohesion Strategy was taken to Cabinet in June 2018. Through this new strategy we will be seeking to frame the language and priority themes around cohesion in the city; redefine the Council's role as a convening and enabling presence (rather than dominating); and champion ongoing learning around excellent practice in the city with a series of community and partnership engagement sessions taking place from July to September 2018 and an annual practice-sharing summit in November each year.

Commonwealth Games

Birmingham was confirmed as the host city of the 2022 Commonwealth Games on 21 December 2018. A great deal of work went into securing this decision during the later months of 2017/18. Work began on addressing the many opportunities and challenges associated with host-city status in the first week of January with the creation of a Commonwealth Games Project Team, which is leading on the work internally. A Project Director was successfully appointed and started work with the Council on 29 May 2018.

The Project Team has created an internal governance structure which draws upon the expertise within the Council. A small Project Management Office function coordinates the projects work which is driven within the business, taking a whole council approach, learning from the best practice of Glasgow, Manchester and Gold Coast approaches to the games.

The project's immediate deliverables, and first successes, were the delivery of the handover element of the closing ceremony and the athletes' homecoming as part of the Gold Coast games. The handover was seen by hundreds of millions of people around the world and showed Birmingham at its vibrant and diverse best. This event was delivered in 8 weeks, on time and on budget, to significant acclaim.

Current priorities include the Capital Programme comprised of the Athletes Village, Stadium, Aquatics Centre and Transport infrastructure. As these are the most time pressured and fundamental products required for the Games, work has progressed at pace to ensure we are able to deliver them in good time.

- Children's Social Care
- Waste Management

How Success will be Monitored

In order to appropriately monitor the Council's progress, the Council intends to deliver a 'mixed methodology' approach to evaluation. In part, this will rely on formal performance management using industry-standard metrics and comparing Birmingham with peers nationally. There will be monthly performance monitoring of the delivery against the Council Plan and improvement plans through CMT and the Council's Cabinet, and all such information will be transparently shared with the BIIP and MHCLG.