

Birmingham Non-Executive Advisor Overview – July 2020

Good Governance and Culture Change

Progress that has been previously reported to MHCLG has been substantially built upon and reinforced since our last letter to you. Despite the Council dedicating enormous amounts of time, energy and resources to the local management of the COVID 19 pandemic, considerable progress has been made on embedding a one team approach with solid governance and a focus on improving organisational and place-based culture in Birmingham.

Since our last letter to you, a new Interim Chief Executive Chris Naylor has been appointed following the decision not to appoint a Chief Executive from the field of candidates shortlisted in December. In our view as Non-Executive Advisors to the Council we felt this was the right decision for the Appointment Panel, given there was not adequate assurance that any of the candidates were the right “fit” for the organisation and the City’s partners. It was a braver decision to not appoint than to make an appointment on the basis of needing to fill the post quickly.

All Non-Executive Advisors were consulted on the appointment of Chris Naylor, Chief Executive at Barking and Dagenham and all felt this would be a strong candidate with the necessary skills, expertise and creativity to continue to drive forward good governance, culture change and to deliver on the Council and the City’s ambitions.

Despite the difficulties of managing an organisation during a major crisis, the new Chief Executive has introduced a new Behavioural Framework within his first week and has started meaningful and in depth consultation with the workforce, elected members and trade unions on embedding this, which will take time to build the confidence of such a large and complex organisation but the early work is very promising.

Extended development sessions have taken place with more sessions being planned for the Cabinet and Management Team to develop a new Delivery Plan for the Council with sharper focus and clarity on the Council’s top priorities, budget pressures and milestones and a strong engagement framework with local residents and businesses.

The organisation has adapted well during Covid 19 with office staff predominantly working remotely; a real test for the IT and Digital Teams. IT in all its forms has been embraced by the workforce along with elected members and the Cabinet who have embraced this new way of working and have used this an opportunity to sharpen up governance and decision making.

Weekly corporate meetings are taking place with trade unions to ensure all workplace issues, especially health and safety issues are managed quickly.

A health and wellbeing survey is being carried to ensure all staff, whether working remotely, working in the community or coming into their workplace to carry out their roles feel safe and connected to their colleagues and to management through strong and effective business continuity arrangements.

When the Non-Executive Advisors first commenced working with the City almost a year ago, all 3 Statutory Officer posts were filled with permanent appointments. The present position is that all three are now held by interim appointments and that the Head of Paid Service post has been held by 4 individuals, the Monitoring Officer by 3 and the Section 151 Officer by 2 postholders. No timeline exists to recruit to fill the positions permanently and we agree with

your new Interim Chief Executive that this is not the most important task over the next few months. However, stability of the top officer and political team is essential to deliver the momentum needed to ensure the City recovers from recent challenges.

It is crucial to appoint individuals who are prepared to commit themselves to the City for a 3-5 year period and who have the skills, ideas, and resilience to deliver over the entire period. This experience should lead the City to evaluate who they use to secure both permanent and interim resources at the top level of the organisation and how they are appraised and tested so that candidates are only presented if they meet the City's requirements. An unsuccessful appointment at this stage would be hugely damaging.

However, the new Chief Executive has settled in well during the last few months and we feel assured that with his leadership as Head of Paid Service working in partnership with strong political leadership from the Leader and his Cabinet and the support of the whole Council progress has been made towards establishing a strong and confident management team which gives us some assurance that the Council is on its way to becoming the organisation that the City of Birmingham deserves.

A key focus on Equality and Diversity will need to be a priority running through the Council's emerging Delivery Plan. Whilst the Council's Cabinet is diverse in its membership, the Council's management team needs to better reflect the population they serve and work is underway to ensure more diverse senior people in the Council.

Children and Adults

The Council has continued to strengthen its response to the highly challenging agenda of ensuring the safety of its most vulnerable people. In a city that boasts one of the most diverse and youngest populations in Europe, this is no mean feat. Through concerted effort and energy from its senior executive, well supported by relevant Cabinet members, the Adult's and Children's departments have continued to work well together and crucially with The Children's Trust too.

Considerable focus has been deployed in planning for the most effective use of new funds over the next five years, helping to create a Preparation for Adulthood and Vulnerable Adults Improvement and Transformation Programme, underpinning the Council's commitment to the life course approach across Birmingham. It is early days, but it is envisaged that this powerful collaboration of internal departments and an array of external partners could lead to significantly improved outcomes for 14 to 28 year olds, as well as 'systems change' in the city. A new team driving this work now sits within The Children's Trust, which in itself is a strong statement of collaborative working. Additionally, the city has recruited its first 'Joint Head of Service' to bridge the transition between children's and adult's services, reporting across the key partners.

The Children's Partnership continues to play a key role in the city's response to the most challenging issues. The response to Covid-19 has shown the value of this 'investment' where the city has responded with some confidence to the needs of vulnerable children and their families. The Covid-19 Early Help response group, which brought together 40 partners on a weekly basis, played a key role in this. The strength of relationships with schools and their local communities was bound to be tested during the pandemic, but the Council managed this as well as could have been expected, and commendably prioritised desperate need ahead of affordability.

Progress is being made on SEND support and Early Help programmes too, though the challenges remain significant and pace could be increased. The Children's department's

Commissioning capacity remains an issue that needs to be addressed. Foster carer numbers have increased significantly, and adoption performance has improved along with placement stability for children in care.

Looking forward, there remain many risks that the Council needs to have a sustained focus on. Improvements in outcomes for vulnerable children and adults can take many years to achieve, but ground can be lost very quickly indeed. The Autumn will present a key test when, after the expected end of most lockdown measures, most services are expected to see a spike in demand. Those already on 'vulnerable registers' will be joined by those who have become vulnerable during the pandemic. This will include young and older people who have now found themselves living in poverty; those with newly developed but unsupported mental health issues; those suffering from domestic violence; the newly bereaved; victims of domestic abuse; sexual abuse; criminal exploitation...and more. Services will potentially be stretched to the extreme, without the capacity to respond effectively. Add to this the well-researched disproportionate impact of Covid 19 on BAME communities, with the City's diverse population as it is, and you can see the potential for a further significantly testing time for the Council's response to supporting its vulnerable people. The Cabinet, the new CEO and his top team should factor this risk into their planning now.

Finance

Before the advent of the COVID-19 crisis, Birmingham's finances were not at immediate risk, but senior members and officers have recognised that financial planning and control have been relatively weak and must improve rapidly through the finance improvement programme to manage the financial risks of the Commonwealth Games and work needed to balance the budget. As for all authorities the position is aggravated by COVID-19, and the work of interim CFO and her team to use identify and manage the financial consequences have been exemplary.

Risk

The public health emergency has emphasised the need for good and effective risk analysis, particularly in financial terms. The Council has been conscious in its reporting and analysis of both short- and long-term risks in financial terms. The approach proposed to be followed by the newly appointed interim Chief Executive will form a good basis for the necessary reimagining of the city as it is clear that previous assumptions about physical and social development need to be revalidated or amended.

The Council is also better placed to take a realistic view about the delivery of the Commonwealth Games project recognising that it is now not possible to maintain the original timeline for every element. This is more likely to lead to a stronger and more sustainable legacy than before without detriment to the overall event experience.

Attention needs to be drawn to the recent (15th June 2020) MHCLG publication "Addressing Cultural and Governance Failings in Local Authorities: Lessons from Recent Interventions", This highlights that overreliance on interim statutory officers can indicate a local authority may be experiencing serious governance issues. Proper recruitment and nurturing of a new cadre of permanent senior managers with the requisite outlook and skills to achieve improvement has been shown to begin the journey to deliver best value.

In our last letter to you we highlighted some concerns about the Commonwealth Games vacant leadership role and some potential delays. These issues have now been resolved fully and the Council has appointed an experienced leader to head up the Commonwealth Games team. Key decisions have also been taken regarding accommodation which will

prevent further potential delays. We are satisfied that The Council has acted on our concerns with urgency.

Over the next few months, Cabinet will be invited to endorse a coherent way forward for the City. Agreeing this and showing that it can deliver against the challenges this poses will be essential if the City is going to stand on its own feet for their people and the wider region.

Waste Management

Waste and street cleaning services have benefitted from improved relationships with trade unions and improved performance on the ground and in the depots, both before and during the recent COVID-19 crisis. The teams have relaxed the terms of their memorandum of understanding during the COVID-19 response period and this has resulted in much improved feedback from service users and residents. The work that has been done to improve relationships has included strong leadership and agility from the cabinet and the portfolio holder. There are, however, key decisions that remain to be made. The Council has not yet concluded its review of waste collection services and the independent review is long overdue. In addition, the Council needs to make decisions around its future capital programme in general and specifically in relation to its future waste disposal contracts and assets. The Council needs to ensure that the lessons that have been learned from closer collaboration are carried forward so that tensions that have been deferred do not reverse the good progress that has been made so far.

To conclude, we feel as a team of Non-Executive Advisors who have worked intensively with the Council and its partners over the last year, that this model has worked well. We have seen real progress in all areas that we have been asked to explore and support. We are confident that if this momentum continues and the solid working relationship between Members and officers is consolidated, the work of the NEAs can be concluded.

We would like to thank the Leader of the Council for his openness and that of his Cabinet and all elected councillors, all members of the management team and the three Chief Executives we have worked with as well as partner organisations and frontline staff. Birmingham is an amazing City and deserves the very best for the future.