

Governance Stabilisation Plan

Birmingham City Council
and Centre for
Governance and
Scrutiny

November 2023



BE BOLD BE BIRMINGHAM

cfGS

 Birmingham
City Council

OFFICIAL

Governance Stabilisation Plan

This Stabilisation Plan sets out recommendations and immediate actions which will be taken to support the short-term stabilisation of governance at the Council. These address governance and cultural issues identified by the Centre for Governance and Scrutiny’s (CfGS) review of governance in the Council and have been jointly developed by the CfGS and the Council. These actions will be implemented immediately while actions for longer-term improvement are developed further and incorporated into and monitored through the overall Improvement and Recovery plan. A scrutiny task and finish working group will commence in January 2024 to monitor the implementation of the Stabilisation Plan and assess how the Council uses the CfGS’ report to develop the Improvement and Recovery Plan.

The implementation of this Stabilisation Plan will be supported by officers from across the Council. This is the only way to deliver a “whole council” mindset on improvement. Much of the work set out in this plan will engage with the Council’s Governance and Assurance Programme, which has already been partially deployed.

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
<p>1. Refocus corporate attention and priorities on ensuring safe, legally compliant, and fairly delivered services to local people</p>	<p>Review of the Corporate Plan in context of the financial position and improvement and recovery plan (IRP) priorities.</p> <p>Review/refresh key performance reporting to better reflect compliance and vital service delivery, in tandem with broader governance work streams.</p> <p>Practical steps taken to introduce the wider organisation (members and officers) to prioritisation and effective performance management.</p> <p>Scoping further activity for the Improvement and Recovery Plan.</p>	<p>A draft new corporate plan with clear links to the IRP.</p> <p>Performance information (and other management information) used by CLT and Cabinet to set strategic direction and respond to issues.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan</p>	<p>Director of Strategy, Equality and Partnerships</p> <p>Assistant Director, Programmes, Performance, and Improvement</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
<p>2. Begin work to reframe values and expected behaviours</p>	<p>Give consideration to adapting the “best in class” framework so it forms the basis of a service reviews undertaken as part of the Improvement and Recovery Plan, ensuring a focus on culture and values and the essentials of good service delivery.</p> <p>Improvement & Recovery Plan to include workstream on cultural change activity which is informed by CfGS blueprint for change.</p> <p>Appraisal arrangements will be aligned with the Council’s corporate priorities and embedded at all levels of the organisation.</p> <p>New values and behaviours framework developed aligned to organisational redesign activity.</p>	<p>'Culture and values' embedded into approach agreed for service reviews.</p> <p>New appraisal, values & behaviours framework rolled out across the organisation.</p> <p>Improvement & Recovery Plan will be in place, with focus on culture & behaviours.</p>	<p>Director of Strategy, Equality and Partnerships</p> <p>Assistant Director, Programmes, Performance, and Improvement</p> <p>Director of People Services</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
<p>3. Develop and publicise a set of baseline behavioural standards for members and officers</p>	<p>Development of a new Member-Officer Protocol (further to constitution review)</p> <p>Develop / define model behaviours that that will help support the delivery of the new Officer/ Member protocol.</p> <p>Standards Committee to consider a review of member attitudes relating to member/member and member/officer interactions.</p> <p>New guidance to members on the Code of Conduct</p> <p>Ensure the regular Group Leaders' meetings with the Chief Executive, Section 151 Officer and Monitoring Officer focus on Forward Plan matters, critical business issues and wider stabilisation and improvement matters.</p> <p>Scope and develop a programme of action on member-officer relationships as part of the Improvement and Recovery Plan development.</p>	<p>New Protocol is understood and is guiding Members and Officers resulting in greater confidence in one another.</p> <p>Member Attitudes/ Interactions Review has commenced.</p> <p>Members have signed up to the Code of Conduct.</p> <p>Improvement & Recovery Plan has a workstream focussed on member-officer roles and relationships</p>	<p>Interim Monitoring Officer</p>
<p>4. Review the Constitution</p>	<p>Undertake an immediate legal compliance check to identify sections of the constitution and elements that require urgent amendment and updating.</p> <p>Include review of the constitution as a workstream of the Improvement and Recovery Plan development. This should be informed by the “blueprint for change” set out in the CfGS report. There should be a particular focus on the following areas:</p>	<p>Up to date constitution has been established.</p> <p>The compliance check has been concluded on the high priority areas identified in the CfGS review, monitored through the Improvement and Recovery Plan (IRP)</p> <p>Audit Committee is working to new terms of reference and is being supported to continually strengthen its' function and impact.</p>	<p>Interim Monitoring Officer</p> <p>Section 151 Officer</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<ul style="list-style-type: none"> • Member-officer relationships (with a particular focus on mutual roles and responsibilities, including delegation) • Role and functions of Council, Cabinet, scrutiny, and audit in respect of development and agreement of major decisions and strategies. • Conduct, values, and behaviours • New financial governance arrangements <p>Develop new Terms of Reference for the Audit Committee and better alignment of the Audit Committee role to CIPFA best practice standards and consider alignment of standards/principles with other committees.</p> <p>Establish a Corporate Governance (Officer) Group to support the Audit Committee and other governance related work.</p>	<p>Agreed further activity as part of the Improvement and Recovery Plan</p>	
<p>5. Reframe the scrutiny work programme to focus on the Council's improvement and recovery priorities.</p>	<p>Scrutiny will play an active part in the 24/25 Budget development process. A Budget Scrutiny Task and Finish Group has been recently established to support this.</p> <p>Align the Overview & Scrutiny work programme to the Improvement and Recovery Plan (once developed). This should focus on:</p> <ul style="list-style-type: none"> • The safe and effective delivery of key services supporting vulnerable people. • Critical performance issues emerging “by exception”. • Equality and equity issues arising from the development of the 24/25 Budget, the Emergency Budget (to be identified by 	<p>Alignment of the Overview & Scrutiny work programme with the Improvement and Recovery Plan</p> <p>Scrutiny's role in the 2024/25 Budget development process has subjected financial plans to rigorous challenge.</p> <p>Scrutiny has played a consistent and productive role in the Council's overall immediate improvement and recovery activity. It, and the wider Council, needs to have been able to demonstrate what that value has been added.</p>	<p>Interim Monitoring Officer</p> <p>Statutory Scrutiny Officer</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<p>exception), and other priority scrutiny activity relating to the Budget.</p> <ul style="list-style-type: none"> • Culture, behaviour change and organisational development. 		
<p>6. Strengthen working relationships between the Chairs of Scrutiny Committees and the Chair of the Audit Committee to lead and direct the function</p>	<p>Scrutiny Chairs should meet on a monthly basis.</p> <p>Scrutiny Chairs and Audit Committee Chairs should meet on a quarterly basis to:</p> <ol style="list-style-type: none"> Consider critical performance and risk issues and how they ought to be escalated to committee. Agree forthcoming agendas. Consider cross-cutting issues and determine where and how they should be dealt with. Review and reflect on recent scrutiny exercises. 	<p>A new forward programme of work for the year drafted for Audit Committee</p> <p>Scrutiny and Audit have demonstrated to internal and external stakeholders they are actively contributing to the recovery and improvement priorities and activity.</p>	<p>Interim Monitoring Officer</p> <p>Statutory Scrutiny Officer</p> <p>Assistant Director, Programmes, Performance, and Improvement</p>
<p>7. Put in place new arrangements for the support of the internal audit function, the audit committee, and the links between audit and scrutiny</p>	<p>Audit Committee improvements should be informed by CIPFA best practice standards.</p> <p>Use of new terms of reference to drive action on new ways of working for the Audit Committee. This will include:</p> <ul style="list-style-type: none"> • Audit Committee to be assured on the Council's principal strategic risks on finance and governance and to review and refine plans for mitigation with a focus on the external auditor's statutory recommendations. • Development of new risk-based systems to identify further emerging pressures. 	<p>Audit Committee have a clear understanding of key strategic risks on finance and governance.</p> <p>Reporting arrangements and a risk-led work programme have been developed for audit and scrutiny functions.</p> <p>Agreement of a new methodology for internal audit by the Audit Committee.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan</p>	<p>Interim Monitoring Officer</p> <p>Director of Finance</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<ul style="list-style-type: none"> • Development of a new methodology for internal audits, which should be agreed by the Audit Committee before implementation. • Develop a more risk-led work programme for the audit and scrutiny functions on financial matters. <p>Develop new and improved reporting arrangements to/from Audit Committee to other governance committees and groups.</p> <p>Support to officers working within internal audit and wider assurance framework through the Professional Leadership Development Scheme.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan</p>		
<p>8. Design, and begin to put in place, new risk & information management arrangements – with an initial focus on member accountability</p>	<p>Consider how the performance management framework can be strengthened to incorporate indicators of risk.</p> <p>A new risk management framework to be developed with emphasis on Assistant Directors being personally responsible for owned risks and KPI's.</p> <ul style="list-style-type: none"> • Undertake an exercise to baseline the understanding of risk in the authority, who owns it, how it is being mitigated and arrangements for oversight and escalation. • Enhance officers' capability on risk through development training enhance members understanding about their collective role in risk management. 	<p>There is increased clarity on risk owners.</p> <p>The council is better able to recognise its risks as they emerge and escalate to elected members more effectively and mitigate accordingly.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan</p>	<p>Director of Finance</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<p>Develop new Audit Committee Terms of Reference to strengthen approach to risk management.</p> <p>A new Corporate Governance (Officer) Group to be formed, with a focus on governance, risk, and performance management.</p> <p>Review and revise arrangements for member support, and information sharing with Overview and Scrutiny and Audit.</p> <p>Set substantive discussion of risk as a standing item on monthly Cabinet agendas (escalated from, and informed by, discussions at Scrutiny and Audit Committee).</p> <p>Scope and develop further programme of action as part of the Improvement and Recovery Plan.</p>		
<p>9. Put in place robust arrangements for members’ oversight of the development of the 2024/25 budget and MTFS</p>	<p>Early engagement by scrutiny members is being built into the budget development processes. A Budget Scrutiny Task and Finish Group has been established to address this. Scrutiny involvement will include:</p> <ul style="list-style-type: none"> • Identification and scrutiny of the most critical areas where savings/cuts are planned with a particular focus on the equality and equity impacts. • Time and space for scrutiny to investigate and challenge the budget development including the budget plans themselves. • Members and Commissioner sessions are being scheduled to support this. 	<p>Members have had opportunities to review and challenge the development of the 2024/25 budget through the Budget Scrutiny Task and Finish Group and additional sessions.</p> <p>A process for ongoing, in-year budget scrutiny has been developed.</p> <p>Multi-directorate teams have reviewed and challenged the budget.</p> <p>Members’ input means that some of the most significant negative impacts on local people from service/budget cuts have had the opportunity to be tested/mitigated.</p>	<p>Interim Monitoring Officer</p> <p>Statutory Scrutiny Officer</p> <p>Director of Finance</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<ul style="list-style-type: none"> Separate process for ongoing, in-year budget scrutiny to be informed by the stabilisation plan's proposed action on audit and scrutiny. <p>Review and challenge of the budget from multi-dimension teams will be held across Finance, HR, Procurement, Legal, DTS, Equalities.</p> <p>The new Terms of Reference for the Audit Committee provides greater clarity of the Committee's role in financial management oversight.</p>	<p>There will be formal feedback from scrutiny to Council, to support its formal work on signing off the Budget in New Year 2024.</p>	
<p>10. Integrate action on external auditors' recommendations into wider practice.</p>	<p>All external audit recommendations fall within the scope of commissioner led intervention, and will be addressed where required by the Improvement and Recovery Plan</p> <p>A new corporate timetable has been issued to develop a budget, which includes all services and involves engagement from Members. This will result in a more sustainable financial plan.</p>	<p>A more sustainable financial plan has been developed through following the new corporate budget timetable.</p> <p>External audit recommendations are being monitored and integrated into wider improvement plan and practice.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan</p>	<p>Director of Finance</p>
<p>11. Continue to rebuild relationships with external partners.</p>	<p>A programme of work is being implemented to understand partner's needs, roles, capacity, and capability.</p> <p>Partnership engagement infrastructure is being developed to strengthen the council's approach, and tools will be made available to help contribute to the Council's effectiveness as mature and effective partner.</p> <p>Start to think about how active partnerships can contribute to service redesign, which we consider</p>	<p>There is a better understanding of the Council's partners, which acts as a basis for meaningful discussion of the role of partners in respect of the Council's future operating model.</p> <p>Tools and guidance are available to support partnership work across the Council.</p> <p>Members are more strongly involved in partnerships.</p>	<p>Director of Strategy, Equality and Partnerships</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	<p>will be an important theme of the Improvement and Recovery Plan.</p> <p>Approach to Member involvement needs to be developed in order for them to play strong role in this work.</p>	<p>Agreed further activity as part of the Improvement and Recovery Plan</p>	
<p>12. Put in place proportionate arrangements to manage governance and decision-making in the context of the role of Commissioners</p>	<p>Proportionate and directed oversight by Commissioners will be integrated into plans for the constitutional review, and other short-term changes to the governance framework.</p> <p>Activity is already underway to:</p> <ul style="list-style-type: none"> • Establish process for Commissioners to clear and comment on all council/ cabinet reports. • Agree where and how Commissioners will be sighted on important / contended matters. • Agree on how delegation will operate under Commissioners' oversight. • Create formalised arrangements for Cabinet/ CLT/ Commissioner/ scrutiny relationships, to ensure that there is public visibility and accountability. 	<p>Proportionate arrangements are in place to integrate Commissioners' roles, and expectations, as a semi-permanent part of the governance framework. These arrangements are consistent and well-understood.</p>	<p>Director of Strategy, Equality and Partnerships</p>
<p>13. Modernise systems and practices in Scrutiny and Committee Services</p>	<p>The Statutory Scrutiny Officer (SSO) will be empowered with scrutiny chairs and CLT, to take forward action to ensure that improvement work is taken forward.</p> <p>Ongoing mentoring support to officers supporting the Audit Committee to be used as a model for wider mentoring and coaching for Scrutiny and Committee Services staff.</p> <p>Scoping further activity for the Improvement and Recovery Plan.</p>	<p>Improvement work has been undertaken in Scrutiny and Committee Services, reflecting the recommendations from ongoing externally commissioned support work.</p> <p>The SSO and Scrutiny and Committee Services has a higher profile in the organisation.</p> <p>Agreed further activity as part of the Improvement and Recovery Plan.</p>	<p>Interim Monitoring Officer</p> <p>Statutory Scrutiny Officer</p>

CfGS Recommendation	BCC Response – current, planned, or proposed activity	Key Deliverables within 6 months (June 2024)	Accountable Officer
	Delivery is contingent on conclusion of ongoing externally commissioned improvement activity across Scrutiny and Committee Services.		