

Birmingham City Council

Standards Committee

28 March 2024



Subject: Governance Stabilisation Plan Progress Update
Report of: Marie Rosenthal, Interim City Solicitor & Monitoring Officer
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1 Executive Summary

- 1.1 This report presents an overview of the Governance Review conducted by the Centre for Governance and Scrutiny (CfGS) and the Stabilisation Plan which sets out recommendations and immediate actions that support the short-term stabilisation of governance at the Council, as endorsed by Cabinet in December 2023.
- 1.2 The Standards Committee is asked to consider updates provided on Recommendation 3, to 'Develop and publicise a set of baseline behavioural standards for members and officers'. This provides the context to the draft Member-Officer protocol and update on the Members Survey which the Standards Committee is asked to consider in a separate report, following this item.
- 1.3 The Centre for Governance and Scrutiny undertook an independent review of governance at Birmingham City Council in the summer of 2023. The report presenting their findings was agreed at Cabinet on the 12th December alongside the Stabilisation Plan.
- 1.4 The CfGS report identified a number of governance and cultural issues within the Council which need to be addressed. The Stabilisation Plan was produced jointly by Birmingham City Council (BCC) and Centre for Governance and Scrutiny (CfGS) and sets out recommendations and immediate actions that support the short-term stabilisation of governance at the Council. Actions for longer-term improvement will be incorporated into the Improvement and Recovery Plan.
- 1.5 Activity has commenced to deliver the Stabilisation Plan including the response to Recommendation 3, which encompasses the development of a Member-Officer Protocol and for Standards Committee to consider a review of member attitudes relating to member/ member and member/ officer interactions.

2 Recommendations

- 2.1 Standards Committee is asked to note the Governance Review conducted by the Centre for Governance and Scrutiny (Appendix A) and the Stabilisation Plan jointly produced by BCC and CfGS (Appendix B).
- 2.2 Standards Committee is asked to give consideration and comments regarding progress in responding to Recommendation 3: to 'Develop and publicise a set of baseline behavioural standards for members and officers' with particular reference to the following activities:
- Development of a new Member-Officer Protocol (further to constitution review)
 - Develop / define model behaviours that that will help support the delivery of the new Officer/ Member protocol.
 - Standards Committee to consider a review of member attitudes relating to member/member and member/officer interactions.
 - New guidance to members on the Code of Conduct

3 Background

- 3.1 In July 2023 the Council commissioned the Centre for Governance and Scrutiny (CfGS) to carry out an independent review of governance. The review was commissioned following a request from the Department of Levelling Up, Housing and Communities (DLUHC) Minister Lee Rowley MP. The Council was asked to consider an independent review to provide assurance that action was being taken to remedy the governance issues identified in reports from the DfE SEND Commissioner, Housing Ombudsman, and various Local Government & Social Care Ombudsman Public Interest Reports.
- 3.2 The purpose of the review was to assess key governance issues identified in those various external reviews and judgements, the Council's response to them, and to recommend actions to further improve governance at the Council. The scope of the review was agreed with DLUHC Local Stewardship Team officials, and was based on the themes of:

Theme	Areas of focus
Leading effective governance	Clarity of Vision and priorities Understanding of roles and responsibilities Culture and understanding
Enabling and supporting good governance	Robustness of processes and practice Support services and functions Levels of assurance and compliance
Financial Governance	Capacity and skills Financial management and budget oversight Financial risk management

Improving governance and decision making	Customer focus Stakeholder engagement Learning from external review and challenge
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4. Key Findings from the Review

4.1 The CfGS report published in December 2023 identified a number of governance and cultural issues within the Council which need to be addressed and are presented via a report comprising a summary of key observations (Appendix A)

4.2 The report recognises that the Council’s current governance and financial challenges have not been caused by any single issue but that at the core is a problem of culture and behaviours, including a failure of individual and collective accountability and responsibility. The report refers to some of the key aspects of the culture and behaviours as follows:

- Low levels of trust between officers and members, a deep-seated blame culture, and a lack of commitment to basic principles of probity and good conduct.
- A defensive culture where there is difficulty in speaking up about bad news, and confusion and disagreement about who owns and “controls” data and what it says.
- A member focus on operational activity, which has developed into negative behavioural trends around member-officer relationships as officers find their freedom to carry out operational duties is constrained by heavy direction and oversight.
- Unwritten rules trumping corporate processes, due to governance systems that are inconsistent and/or only as reliable as the data provided and the people who operate them.

4.3 The report concludes that the varied nature of the causes and symptoms of the Council’s corporate governance failures make the situation facing the Council unique. This distinctiveness demands a unique solution on governance stabilisation and improvement and the solutions the Council adopts need to be framed around changes to culture and behaviours.

4.4 Commissioners have strongly endorsed the findings and recommendations of this CfGS review. They additionally note in their assessment, that some of the dysfunctional systems and behaviours identified by the review have become so deep seated in the organisation, they are actually regarded as the norm. This has meant that previous attempts to address these challenges within the organisation in recent years have evidently failed. This initiative now represents a critical opportunity to address the problems root and branch, but that will require exceptional determination and leadership across the organisation – members and officers alike.

5. Stabilisation Plan

5.1 A Stabilisation Plan (Appendix B) was jointly developed by BCC and CfGS and contains recommendations and immediate actions to support the short-term stabilisation of governance at the Council over the next six months. Actions for longer-term improvement have been incorporated into the Improvement and Recovery Plan.

5.2 The Stabilisation Plan comprises 13 recommendations, each consisting of several activities and key deliverables. The monitoring and oversight arrangements for the Plan are overseen by the Interim Monitoring Officer acting as Senior Accountable Officer (SAO), The Deputy Leader is the lead portfolio holder with political accountability for this area.

5.3 Monthly milestones have been developed against each activity which Accountable and Lead Officers are reporting against on a monthly basis. These updates go through a process of 'check and challenge' and are considered at the Stabilisation Plan Board. Progress is reported CLT and Informal Cabinet. A commissioner sub-board is also being set up to support the monitoring and oversight of the implementation activity of the plan.

5.4 Recommendation 3 is to 'Develop and publicise a set of baseline behavioural standards for members and officers'. Activities within this recommendation includes:

- Development of a new Member-Officer Protocol (further to constitution review)
- Develop / define model behaviours that that will help support the delivery of the new Officer/ Member protocol.
- New guidance to members on the Code of Conduct
- Standards Committee to consider a review of member attitudes relating to member/member and member/officer interactions.

To meet these activities a member-officer protocol has been drafted and a survey of member-officer relationships is being undertaken.

5.5 The Centre for Governance and Scrutiny has provided support in response to Recommendation 3.

5.6 Activities undertaken to deliver a new Member-Officer Protocol to date include the following:

- Desk-based best practice research
- Rapid review of measures to bring about shifts in attitude/behaviour.
- Planning for the member-officer protocol, including the terms and definition of model behaviours that will help to support delivery.
- Structured conversations with key stakeholders including officers and councillors.
- The draft Member-Officer Protocol has now been developed.

5.7 Activities undertaken to consider a review of member attitudes interactions are as follows:

- Developing a draft Member survey which has been considered by Political Group Leaders
- Deputy Leader coordinated comments amongst shadow Deputy Leaders.
- The member survey was sent out on the 6th March, and Members are being encouraged by Group Leaders as well as senior officers to complete the survey

6. Legal Implications

6.1 There are no legal implications.

7. Financial Implications

7.1 The activities described in this report are covered under approved existing budgets. No further funding is being requested at this stage.

8. Equalities Implications

8.1 There were no identified significant impacts on any group or protected characteristic.

9. Environmental and Sustainability Implications

9.1 No significant environmental and sustainability implications were identified.

10. Appendices

10.1 Appendix A: CfGS Report

10.2 Appendix B: Stabilisation Plan

11. Background Documents

None