



Leader's Update

Co-ordinating O&S Committee

27th July 2018

1 Purpose and Attached Documents

The Leader has been asked to attend your committee to cover the following items:

1. Birmingham Independent Improvement Panel (BIIP) – To follow up on the discussion at your June meeting and to discuss the latest set of documents sent to the Secretary of State in June 2018.
 - Birmingham City Council Improvement Stock-take Report, 29 June 2018;
 - Corporate Governance Improvement Plan, June 2018.
2. Review of Scrutiny – To follow up on the report to City Council in March 2018, the attached papers set out a summary of the current position:
 - The report to Council;
 - The table of progress against the action;
 - A report from the Leader on the decision not to appoint Scrutiny Chair's from the Opposition;
3. West Midlands Combined Authority – The Leader will verbally update the Committee and take questions on this.
4. City Council Meeting – this is a proposed piece of work for the Co-ordinating O&S Committee, recommended in the Review of Scrutiny.

2 Recommendations

2.1 Members are asked to

- Agree next steps with regards to scrutiny's role in relation to BIIP;
- Agree next steps with regards to the review of scrutiny;
- Agree whether to take forward a piece of work of the City Council meeting;
- Identify any new areas of work which should inform the work programme for the forthcoming year.

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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

The Kerslake Report was published in December 2014 and the Birmingham Independent Improvement Panel (BIIP) was established in January 2015. Since then, the Council has undergone significant changes in the leadership of the organisation, and has provided regular update reports that have been published alongside the Birmingham Independent Improvement Panel's letters to the Secretary of State regarding Birmingham City Council's progress.

The Council wants to secure better outcomes for the citizens of Birmingham in a challenging and fast-moving financial, social and economic environment. The Council is therefore committed to addressing issues raised by the 2014 Kerslake Report and subsequently the Birmingham Independent Improvement Panel (BIIP).

Following the all-out elections in May 2018, the Leader and Deputy Leader have been elected for a four year period, cementing a degree of continuity and stability and paving the way for strategic long term planning. The new Chief Executive was appointed in April 2018 and some early decisions have brought some more stability to the Council Management Team, with a permanent Chief Finance Officer, Assistant Chief Executive and clarity around roles that need to be filled. The Council commenced a recruitment process for a permanent Director of Children's Services and Director of Public Health in June 2018.

The Council and the Panel have accordingly agreed that a collaborative approach provides us with the best opportunity to achieve the required Council improvements. Both the Council and Panel will therefore meet on a regular basis with the Ministry of Housing, Communities and Local Government (MHCLG) and co-operate together in order to drive progress against a clear set of improvement plans.

At the heart of the improvement agenda are elements of sound organisational governance as reflected in the Local Government Association's criteria for an effective organisation:

- o Effective political leadership and managerial leadership, working as a constructive partnership;
- o A good understanding of the local context which informs a shared long-term vision and a clear set of priorities that is translated through a healthy organisational culture and understood by the workforce and partners;
- o Effective governance and decision-making arrangements that respond to challenges and manage performance, change, transformation and disinvestment;
- o Capacity and resources focused in the right areas in order to deliver the agreed priorities, supported by relevant organisational and workforce development; and
- o A financial plan in place to ensure its long-term viability and evidence it is being implemented successfully

This stock-take report represents the Council's self-assessment against these criteria which is underpinned by a suite of detailed corporate governance and service improvement plans. It provides a précis of the Council's position up to March 2018, indicates some of the changes that are being made in this financial year and highlights priority areas for

improvement. The structure of the report seeks to be consistent with previous updates provided to the BIIP and Secretary of State to ensure comparability.

Critical Issues

The Council is approaching these challenges, however, in the context of extensive failures in past corporate governance. Historically, senior officer advice given to Elected Members prior to decision-making has been variable and there have been failures to implement the difficult decisions that Elected Members have taken. Many such examples have been conducted without requisite transparency for the benefit of Elected Members or the citizens of Birmingham.

The corporate governance plan, referred to in this stock-take report, aims to address that challenging history by building on the work already undertaken to fundamentally change the culture of the organisation. This includes a whole-system review approach to role definition of Elected Members and Officers, staff/union engagement procedures and formal decision-making processes.

The last three years have been especially problematic in relation to financial 'grip' within BCC. The level of savings delivered has fallen below the planned level, and other spending pressures have also emerged, which has meant that additional uses of reserves have been required over and above original plans to balance and deliver the budget since 2015/16. Further planned structural uses of reserves are required in 2018/19. If the Council is to move towards financial stability then it must ensure that it develops robust spending and saving plans. If problems are identified in year, resolutions must be identified from within existing budgets, with use of reserves being the option of last resort.

As the Council confronts the financial challenge, it will also need to improve the transparency of its reporting and decision-making as, previously, both the scale and nature of these financial issues were not always apparent to Elected Members or citizens. In addition to changes to financial reporting, the Council signalled a significant change in approach with the publication of the out-turn report for 2017-18. For 2018-22, the Council will adopt a priority-based budgeting approach that will align the use of financial resources with its policy priorities, and involving consideration of performance and unit cost information. The budget setting process will also focus on exploration of the opportunities for service re-design and partnership working and with links to the development of capital and asset strategies. In this way, the Council can streamline the resources it uses to make a best fit with the priorities of the Council and reduce spend on lower priority areas.

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 years with improved interaction between political groups, including ensuring the Council holds regular cross-party leaders' meetings. These are marked by a good tone, level of honesty and support.

Also, whilst historically the quality and timeliness of formal reports and advice has not been efficient (resulting in the lateness of reports, slow decision-making and poor pre-meeting briefings) these processes are formally under 'lean' review as part of an overhaul of committee support arrangements.

The Council's vision and priorities agreed by all party leaders in 2017 has continued to be the focus for the Council's activity, delivery and performance arrangements. This is being

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 fully by the Executive (for example, political balance of Committee Chairs) the Leader has committed to outlining a clear rationale back to the Co-ordinating Overview and Scrutiny Committee in the spirit of openness and transparency.

A Modern and Progressive Organisational Culture

Effective political and managerial working must be underpinned by an organisational culture that promotes shared working across Directorates, encourages transparency and honesty, and supports leaders to take personal responsibility of issues and challenges

Culture change is a long-term endeavour, requiring sustained commitment from the entire body of Elected Members and Senior Leadership community of officers. Effective mechanisms and processes are required to gain wider ownership and buy-in from employees. The Kerslake Report in 2014 identified a 'council knows best' attitude and the need to look outside and learn from others. It also called for the clarification of officer/member roles, referring to these being blurred in Birmingham. The Council has accepted this as a governance hallmark to be demonstrably achieved. Members have spent time looking at good practice in comparable city authorities, visiting with officers Oldham, Leeds, Manchester and, most recently, Bristol and Nottingham.

The Council's formal member/officer protocol, in turn framed by BCC values and behaviours, is an important new development, but ensuring widespread understanding of it and building the confidence that everyone will meet its standards in their day-to-day interactions needs to be culturally embedded. Implementation of the protocol will be carefully monitored and reported to the Panel. Meanwhile, a new induction programme ('Welcome/Welcome back') event for the councillors elected in 2018 has begun. It covers themes about council structures, functions, standards and ethics, alongside round table conversations with officers about how to appropriately influence the organisation. It seeks to develop better understanding about councillors' roles and enables councillors to explore how to appropriately pursue ward casework.

Working with Members is shaped by the Council's People Strategy. Promoting appropriate values and behaviours are a key part of this strategy and these are widely publicised across the organisation. The strategy promotes a culture of resilience and transparency to aid the tackling of difficult decisions in a challenging environment.

The Council will now undertake work to ensure that the People Strategy is 'owned' by the workforce at all levels since recent insights, evidenced by weak staff survey responses, suggest that this is not currently the case. There is a need, therefore, to reinforce a new organisational culture programme which will be developed internally through staff, member and partner engagement. The workforce plan flowing from the workforce strategy will define a new 'culture dashboard' with appropriate performance measures and timelines for monitoring improvements. This will also be reported to the Panel.

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 employees in decision making).

Steps are being taken to enhance organisational leadership, including:

- A re-invigorated approach to the Executive and Management Team meetings whereby significant time was committed throughout late May and June to review the 'State of the City', develop a new Council Plan and associated performance framework and then move towards an early Medium Term Financial Plan and associated budget cycle;
- A senior officer development programme with induction, information, guidance and peer support;
- Dedicated sessions of the Extended Leadership Team (ELT) of JNC officers' whereby development sessions will from now on be taking place on a monthly basis with crucial topics being covered, such as good governance, equal pay, the Council Plan and performance framework and the Medium Term Financial Plan and Budget process. The emphasis for these renewed ELT sessions on peer learning and joint policy development is supporting 'one Council working' across directorates and professional disciplines;

- Changes to Council Management Team (CMT) arrangements to embed rigour and forward planning and use of technology to address staff resistance to change (for example, Chief Executive updates, blogs and use of Yammer).

In parallel there will be comprehensive and transparent advice to Members with effective implementation of decisions, the reinstatement of a rigorous forward plan, implementation of a revised budget and performance board, with monthly updates and senior officer engagement in the overview and scrutiny work programme. Both will be tracked and evaluated as part of Corporate Governance Improvement Plan monitoring.

Strategic Planning, Financial and Performance Management

Effective corporate and financial framework to ensure strategic focus, transparency and governance

The Council's vision, priorities and values were reviewed and agreed in 2016/17 and a delivery plan was produced with directorates and Cabinet Members for the 2018+ budget. A refresh following the May 2018 elections and the new Cabinet involves integrated planning and priority sessions for EMT/CMT in June to plan for 2018–2022 aligned to the medium term financial plan (MTFP). Informed by the administration's election manifesto and insight data, including detailed demographics and resident opinion, it will address service priorities and demand pressures facing directorates.

Performance Management had made some improvements in some respects since the Kerslake Review. CMT monthly performance boards since April 2017 have consisted of the key areas of focus for identified KPIs at a council, service and organisational level.

It is apparent, however, that current KPIs are not all outcome-focused and the Council does not make sufficient use of available customer insight data or consistently compare its performance to other core cities or leading council benchmarks. Taken together this limits confidence in existing performance targets. Equally, the performance cycle is not adaptable enough to inform in-year decisions, strategies, plans or resource deployment where adjustments are required. This leads to a lack of peer learning, a tendency to avoid self-critique and there is insufficient focus on achieving performance stretch. The council performance appraisal system – reviewed and updated in 2016 – requires further adjustment. It is currently misaligned and inconsistently applied. Despite historically leading to performance-related pay increments, the model has limited quality assurance and no peer-validation or strategic talent management arrangements.

To address these issues there will be a further strategic review of the performance framework in concert with the production of the Council Plan 2018-2022. Each month CMT and EMT sessions will consider clear performance, budget and risk profiles and act to address resource or performance-led interventions in a timely manner. There will be a strategic review of the current appraisal system assessing 'best in class' public and private sector examples and a revised performance appraisal system will be introduced in 2018.

Financial Planning

As with the rest of the local government sector, government funding cuts combined with significant local expenditure pressures in core service areas have amplified the challenges faced by the Council requiring deep financial cuts to be made. In the seven years to March 2018, the Council had taken some £642m out of its the annual budget and anticipates having to make further annual cuts of £123m by 2021/22 which would represent total annual savings of £765m over the eleven-year period. Inevitably reductions of this magnitude over a relatively short time period have impacted on front line and back office services and by

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 the central government policy of austerity, we recognise that this is no excuse for failing services or lack of moral purpose. The Council is now committed to embracing innovative and more efficient ways of working, including doing much more in partnership, in order to meet the expectations of residents and achieve the standards set by our national peers.

The last three years have been especially problematic in BCC, as highlighted in the external auditor's reports of 2016 and 2017, where an adverse value for money conclusion was included in the 2017 audit opinion. The audit reports focussed on the Council continuing to take action to manage the emerging trend of under-delivery of savings and recommended that the officer and political leadership work together to ensure the Council's financial stability remains a top priority. The level of savings delivered has fallen below the planned level, and other spending pressures have also emerged, which has meant that additional uses of reserves have been required over and above original plans to balance and deliver the budget since 2015/16.¹ Indeed in 2017/18, against a planned use of reserves of £46.6m, the Council needed to use £63.1m (including £9.5m one-off in respect of a subsidiary) and a further structural use of reserves of £28.6m is required in 2018/19. At month 2 of the 2018-19, the Council is forecasting an overspend of circa £27m in addition to use of structural reserves. Steps are currently being taken by the Cabinet member and Council Management Team to eliminate this overspend by seeking mitigations from services. In parallel, the Council will be reviewing its client-based approach and efficacy of trading ventures. The immediate challenge is to ensure that this requirement does not grow and the reporting cycle has been brought forward by 3 weeks to ensure timely reporting to assist decision-making and mitigations.

If the Council is to achieve long-term financial sustainability, it must ensure that it develops and delivers robust spending and saving plans consistent with its spending priorities. To achieve this there will need to be much greater accountability for Directors and Cabinet Members and an enhanced role for EMT in overseeing financial performance. The Council will adopt a priority-based budgeting approach that will align the use of financial resources with its policy priorities, integrate revenue and capital planning and consider performance, benchmarking and unit cost information in developing its plans. The budget setting process will focus on exploiting opportunities for service re-design and partnership working and link better to the development of capital and asset strategies. In this way, the Council will more effectively than has previously been the case streamline the resources it uses to better reflect the priorities of the Council and more effectively reduce spend on lower priority areas.

Beginning in 2018/19, access to Directorate reserves used as mitigations for base budget issues and savings non-delivery has been removed and Directorates now hold only grant

¹ In 2016/17, Directorates overspent by £71.9m. The Directorate overspend was primarily down to savings non-delivery in Adult, Social Care and Health and Place Directorates as well as some base budget pressures. Corporate mitigations, including use of capital receipts flexibility, were identified totalling £42.1m. 2017/18 showed a similar picture with Directorates overspent by £12.7m. The Directorate overspend was primarily down to base budget pressures in Place Directorate and some savings non-delivery across most Directorates. Furthermore, Corporate overspends of £24.1m occurred in 2017/18 relating to ACIVICO (£9.5m) and non-delivery of the Council's Future Operating Model (£14.6m). Corporate underspends were identified of £15.9m. In total, therefore, there was the need to use £12.9m of additional reserves taking the total use of reserves for 2017-18 to £63m.

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.

A fundamental ingredient to the success of Birmingham 2022 Commonwealth Games will be the partnership governance arrangements between the key strategic partners. Mirroring our own internal arrangements these have been mobilised since February 2018 with key meetings between chief executives from BCC, the sponsoring Government department (DCMS), the Commonwealth Games Federation and associated delivery partners, the West Midlands Combined Authority, Transport for West Midlands and West Midlands Police.

The Commonwealth Games represents a tremendous opportunity for the city and the Council. It promises to be a catalyst for improvement and a driver of quality and excellence in the city's service delivery and a platform for national and international leadership. The Council is, however, aware of the scale of the undertaking and the fact that the Games present a series of substantial strategic and reputational risks. These risks are being overtly assessed and managed through the Council's CWG programme arrangements.

City Partnerships

The vision for Birmingham is to be a city of growth where every child, citizen and place matters. The broad priorities of children, housing, jobs and skills and health have been in place for many years, for such investment is a long-term, complex process. These themes command a consensus across partners and have been in place for many years. The Council, however, has received support to further develop the city vision by recreating a partnership framework to do so, with shared purpose and objectives.

A recent review of partnership activity highlighted significant gaps in the quality and efficacy of 'products' that reflect how well partnership working is operating in practice – such as the Joint Strategic Needs Assessment, annual Public Health reports, learning arising from statutory reviews and formal planning around shared accountability frameworks. It is apparent that the partnerships the Council is involved in operate in silos, and do not appropriately link across, share insight or effectively build and use capacity in the city. The Council intends to build on recent successes, e.g. the setting up of the Children's Trust, and maintain a transparent and proactive approach to maximise learning and facilitate collaboration with other partners.

The Leader's partnership summit held in January 2018 began discussions with partners, reinforced the importance of previously agreed city vision themes and secured a commitment to develop a shared outcomes framework and undertake a partnerships structural review. Work to create an accountability and performance framework for the city vision themes to deliver is needed; for a different, enabling form of city leadership; to maximise opportunities (such as the Commonwealth Games and HS2); to move towards a more integrated operating model; and crucially to improve outcomes for residents — as evidenced by the recent challenging CQC report. Work is underway to support a further round of partnership engagement in July 2018, and building positive partnership behaviours and a shared ethos is at the heart of personal development processes for senior Elected Members and officers alike.

Local Leadership

The Kerslake Review called for a new model for devolution. After a slow start and some initiatives that were not fully implemented across all wards or maintained, significant progress is being achieved in this area. There has been recent work to develop a new ward-based approach alongside the transition to the new wards and four-yearly elections and to establish a positive approach to the development of further parish councils within the city. Thus, Cabinet endorsed a policy statement in March 2018 *Localism in Birmingham*. An important Overview and Scrutiny Committee review highlighted failings in our current work with the two existing parishes and the need to put in place a more responsive approach.

Cabinet consequently endorsed a Green Paper, *Working Together in Neighbourhoods*, which responds to the Overview & Scrutiny report on parishes and sets out a broad direction of travel, including a process for creating further parish councils and for developing local devolution deals to enable services to be delivered at the local level where appropriate.

The Green Paper was published shortly prior to the May election and will be followed by a 'summer of engagement' and a White Paper in the autumn. The role of the Assistant Leaders and the Cabinet Committee has now been wound up and Cabinet member accountability has been tightened-up within the Homes and Neighbourhoods portfolio. This work will be taken forward with the input of a Cross-Party Working Group, as recommended by the O&S report. The Group will include external experts, for example the National Association of Local Councils or representatives of parish councils from elsewhere in the country. At the same time, a new operations group will be put in place to ensure better working with the existing parish councils.

The City Council does, however, face serious challenges in identifying the necessary resources to maintain or enhance support to councillors and their ward work. The new ward-based approach hinges on the ability to hold regular Ward Forums to engage residents and organisations, and on the production of a Ward Plan setting out service and place improvement priorities. Diminished internal resources make this difficult, especially in the context of the switch to single-member wards and the increase in the number of wards from 40 to 69. There are also resource implications in the Council's commitment to improving the responsiveness of local services. A senior-level working group will seek contributions from the city's diverse and strong civil infrastructure (neighbourhood forums, community development trusts, residents' associations and social enterprises). This work will be completed during 2018-19 and will inform the budget process.

Regional and National Leadership

Collaboration with the Combined Authority, the elected Mayor and the other West Midlands authorities has developed over the past year as the new framework of governance we have created is bedded in. A busy year has included the agreement of a further devolution deal and major steps forward on priorities such as transport investment and housing, as well as piloting new local industrial strategies. Birmingham has been at the heart of these developments through both member engagement and officer capacity. The City Council is also the lead city on industrial strategy within the Core Cities group.

The Council Leader has the important portfolio of Economic Growth for the Combined Authority and the Council is consequently actively supporting this role through regular briefings from the CA leadership team and clear officer responsibilities within BCC. We have, meanwhile, established a system to engage identified lead officers in all aspects of the CA agenda. The Council's Strategic Policy Team will be at the heart of work led by the local authority chief executives to develop a shared policy agenda with the CA and to take forward further work with government identified in the second devolution deal.

Service Improvement Blocks

In addition to the Corporate Governance Improvement Plan there are four service areas which will be subject to additional focus as part of our improvement journey. These will be embedded into the council planning and performance framework for ongoing evaluation and review. These are:

- Adult Social Care
- Education

- 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.

The Council and BIIP will monitor early indications (the 'tracers') of improvement in social outcomes, through our adherence to the 2018-19 budget and stronger grip on issues such as homelessness, skills, community cohesion, waste and equal pay.

It will be crucial for Birmingham to look beyond its own practices and evidence base in order to improve. The Council will continually look to professional bodies, peers and national associations whose frameworks Birmingham can use to benchmark excellence and maturity. In some cases, we are using published frameworks to self-assess against and monitor internally over time. In others, we are proposing to engage these third-party bodies in targeted pieces of evaluation work to ensure objective evaluation of progress.

Ultimately, Elected Member, staff, partner and citizen feedback will be the most important test of whether things have changed. In addition to use of formal feedback mechanisms such as the residents' survey or citizens' panel, we feel that is important to regularly 'take the temperature' with some key internal and external audiences throughout 2018-19. We have devised a simple, ongoing evaluation method against our corporate governance improvement plan. For a set of key stakeholders - for example, key Cabinet Members and Committee Chairs, the Chief Executive and statutory Council officers, Audit (internal and external) and statutory partnership chairs - we will have a structured conversation on a monthly basis to ascertain their appreciation of the Council's progress (actions) and quality (maturity) of those outputs, along with an opportunity to note specific comments or concerns. We will seek to share such insights with MHCLG and the BIIP as part of our regular updates, and feel that such qualitative approaches to evaluation will augment the more formal reporting regime.

**BIRMINGHAM CITY COUNCIL
CORPORATE GOVERNANCE IMPROVEMENT PLAN**

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 organization.”

The Leader of the Council – May 2018

This improvement plan sets out how we will address the improvement issues for the corporate governance of the organisation and highlights the service improvements that are subject to separate improvement plans.

The Improvement Journey

The Kerslake Report was published in 2014 and the Birmingham Independent Improvement Panel was established in January 2015. Since then the Council has undergone significant change in the leadership of the organisation.

In December 2015, John Clancy succeeded Sir Albert Bore as Leader at the Council. The Chief Executive of the Council took early retirement in February 2017, and a new senior management structure was put in place. An interim Chief Executive was appointed in April 2017 and interim Directors of Finance and Adult Social Care were also appointed. The Director of Education was appointed to the role of Interim Corporate Director of Children and Young People. Then in October 2017, the Council Leader resigned and a new Leader and Deputy Leader were elected. Previously the Deputy Leader and the Cabinet Member for Children Young People and Families, their experience brings much-needed stability and continuity. Following the all-out elections in May 2018, the same Leader and Deputy Leader have been elected for a four year period, further cementing this continuity and stability and paving the way for strategic long term planning. The new Chief Executive was appointed in April 2018 and some early decisions have brought some more stability to the Corporate Management Team, with a permanent Finance Director, Assistant Chief Executive and clarity around roles which will need to be filled.

This improvement plan sits alongside plans to improve Education and SEND; Early Help and Children's Social Care; Adult Social Care and Health; and Waste Management. Failure in service outcomes for citizens has been underpinned by lack of rigor and transparency in the Council's core. This plan therefore focuses on the corporate governance of the organisation, emphasising a change in culture to make the improvements needed.

It addresses the recommendations in the Kerslake Report which identified a need for the council to make fundamental changes to its corporate culture to play the effective leadership role needed to help the city to realise its full potential.

The City

Birmingham is an exciting, vibrant and diverse city. It has many excellent schools and universities, boasts many stunning green spaces and has a varied and lively cultural offer. However, it is also a city with significant challenges. For example, overall Birmingham is the sixth most deprived English district with

poverty highly concentrated in certain parts of the city and over two fifths of children living in poverty across the city.¹ Housing across the city is also an issue with population projections indicating that 86,000 homes will be needed by 2031, including around 33,800 affordable houses.² Birmingham will be hosting the 2022 Commonwealth Games. While this presents great opportunities for the city, particularly in the sphere of housing whereby we intend to convert the Games village into around 1000 new homes following the event, the Games also presents particular risks which will require careful management.

The Council

The Council has been elected by the people of Birmingham to lead the city, discharging its legal duties, responding to the challenges described above and promoting the growth and wellbeing of Birmingham now and for the future. It has historically provided over 700 services in Birmingham and is a long-term local leader, as shown by the ever-present expectation people have of their Council's capacity to act on and drive multiple agendas.

Following elections in May 2018, the existing Council Plan will be refreshed in line with the Labour manifesto and the needs of the city's citizens. The shift to a four-year political administration, as well as the recent arrival of a permanent Chief Executive and with key Chief Officers in post, will contribute to long-term stability for the organisation, meaning we can drive a clear, ambitious and achievable vision for the future.

As with the rest of the local government sector, government funding cuts combined with significant local expenditure pressures in core service areas have amplified the challenges faced by the Council requiring deep financial cuts to be made. In the seven years to March 2018, the Council had taken some £642m out of its the annual budget and anticipates having to make further annual cuts of £123m by 2021/22 which would represent total annual savings of £765m over the eleven-year period. Inevitably reductions of this magnitude over a relatively short time period have impacted on front line and back office services and by March 2022, the Council will have taken more than 50% from its net annual budget. Partly in response to this, the Council has reached to its reserves to stabilise its financial position and has not taken or implemented the difficult political decisions required. This has exacerbated the challenges in the next two years.

Whilst it is the national policy position of the LGA and the national Labour Group to challenge this policy of austerity, we recognise that this is no excuse for failing services or lack of moral purpose. We have to embrace innovative and more efficient ways of working, including doing much more in partnership, in order to meet the expectations of residents and achieve the standards set by our national peers.

Corporate Governance Improvement Plan

This plan has been designed to reflect the LGA's criteria for an effective organization to enable comparison with previous update reports, namely:

- **Effective political leadership and managerial leadership**, working as a constructive partnership with a modern, progressive **organisational culture**;

¹ End Child Poverty, 2018.

² Office of National Statistics, 2021.

- Effective governance and decision-making arrangements that respond to challenges and manage **performance**, change, transformation and disinvestment;
- Capacity and resources focused in the right areas in order to deliver the agreed priorities, supported by relevant **organisational and workforce development**; and
- A **financial plan** in place to ensure its long-term viability and evidence it is being implemented successfully.

The plan builds on the progress made to date in respect of the Council's governance arrangements. This includes the success in forming the West Midlands Combined Authority; the establishment of values and behaviours linked into the employee appraisal system; the enhancement of senior corporate capacity; clarity on committee functions; and an impetus around revisions to Council Planning and performance. For example, CMT will take a firmer grip on performance and budget monitoring through monthly updates and will seek to undertake 'deep dives' into specific issues where outcomes or 'tracers' are off-track.

Political and managerial leadership with a vision and priorities, and a clear corporate narrative is in place, which will be adjusted accordingly once the new Council Plan has been developed. Partnership working is improving for many key agendas and there was a positive response from partners at a recent city partnership summit; contributing to the debate about a future vision for the city. There is also a shared goal of optimising benefits of the Commonwealth Games, bringing fresh optimism and pace to local partnership working.

Critical Issues

This plan is crafted, however, in the context of extensive failures in past corporate governance. Historically, advice given to Elected Members prior to decision-making has been variable and there have been failures to implement the difficult decisions that Elected Members have taken. Many such examples have been conducted without requisite transparency for the benefit of Elected Members or the citizens of Birmingham. This plan aims to address that challenging history by building on the work already undertaken to fundamentally change the culture of the organisation. This includes a whole-system review approach to role definition of Elected Members and Officers, staff / union engagement procedures and formal decision-making processes.

The last three years have been especially problematic in BCC, as highlighted in the external auditor's reports of 2016 and 2017, where an adverse value for money conclusion was included in their audit opinion. The audit reports focussed on the Council continuing to take action to manage the emerging trend of under- delivery of savings and recommended that the officer and political leadership work together to ensure the Council's financial stability remains a top priority. The level of savings delivered has fallen below the planned level, and other spending pressures have also emerged, which has meant that additional uses of reserves have been required over and above original plans to balance and deliver the budget since 2015/16.³ Indeed in 2017/18, against

³ In 2016/17, Directorates overspent by £71.9m. The Directorate overspend was primarily down to savings non-delivery in Adult, Social Care and Health and Place Directorates as well as some base budget pressures. Corporate mitigations, including use of capital receipts flexibility, were identified totalling £42.1m. 2017/18 showed a similar picture with Directorates overspent by £12.7m. The Directorate overspend was primarily down to base budget pressures in Place Directorate and some savings non-delivery across most Directorates. Furthermore, Corporate overspends of £24.1m occurred in 2017/18 relating to ACIVICO (£9.5m) and non-delivery of the Council's

a planned use of reserves of £46.6m, the Council needed to use £63.1m (including £9.5m one-off in respect of a subsidiary) and a further structural use of reserves of £28.6m is required in 2018/19. At month 2 of the 2018-19, the Council is forecasting an overspend of circa £27m in addition to use of structural reserves. Steps are currently being taken by the Cabinet member and Council Management Team to eliminate this overspend by seeking mitigations from services. In parallel, the Council will be reviewing its client-based approach and efficacy of trading ventures. The immediate challenge is to ensure that this requirement does not grow and the reporting cycle has been brought forward by 3 weeks to ensure timely reporting to assist decision making and mitigations.

If the Council is to achieve long term financial sustainability, it must ensure that it develops and delivers robust spending and saving plans consistent with its spending priorities. To achieve this there will need to be much greater accountability for Directors and Cabinet Members and an enhanced role for EMT in overseeing financial performance. The Council will adopt a priority-based budgeting approach that will align the use of financial resources with its policy priorities, integrate revenue and capital planning and consider performance, benchmarking and unit cost information in developing its plans. The budget setting process will focus on exploiting opportunities for service re-design and partnership working and link better to the development of capital and asset strategies. In this way, the Council will more effectively than has previously been the case streamline the resources it uses to better reflect the priorities of the Council and more effectively reduce spend on lower priority areas.

How Success will be Monitored

In order to appropriately monitor the Council's progress, the plan below outlines a 'mixed methodology' for 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 this plan through CMT and EMT.

Rather than being "done to", we will take the workforce with us through our workforce plan and integrated approach, so that changes are embedded within the council. This will not be a separate work programme but will become part of our normal approach with a range of mechanisms to gauge the confidence and attitude of the workforce.

Although the focus of this plan is around the corporate governance of the Council, we know that if we get our support services, insight and work with members / partners right, then there is a tangible benefit for services to communities. We will, therefore, monitor early indications (the 'tracers') of improvement in social outcomes, through our adherence to the 2018-19 budget, and stronger grip on issues such as homelessness, skills, community cohesion, waste and equal pay.

It will be crucial for Birmingham to look beyond its own practices and evidence base in order to improve. Within each component of this plan, therefore, we cite professional bodies, peers and national associations whose frameworks Birmingham can use to benchmark excellence and maturity. In some cases, we

Future Operating Model (£14.6m). Corporate underspends were identified of £15.9m. In total, therefore, there was the need to use £12.9m of additional reserves taking the total use of reserves for 2017-18 to £63m.

are using published frameworks to self-assess against and monitor internally over time. In others, we are proposing to engage these third-party bodies in targeted pieces of evaluation work to ensure objective evaluation of progress.

Ultimately, Elected Member, staff, partner and citizen feedback will be the most important test of whether things have changed. In addition to use of formal feedback mechanisms such as the residents' survey or citizens' panel, we feel that is important to regularly 'take the temperature' with some key internal and external audiences throughout 2018-19. We have devised a simple, ongoing evaluation method against our corporate governance improvement plan. For a set of key stakeholders - for example, key Cabinet Members and Committee Chairs, the Chief Executive and statutory Council officers, Audit (internal and external) and statutory partnership chairs - we will have a structured conversation on a monthly basis to ascertain their appreciation of the Council's progress (actions) and quality (maturity) of those outputs, along with an opportunity to note specific comments or concerns. We will seek to share such insights with MHCLG and the BIIP as part of our regular updates, and feel that such qualitative approaches to evaluation will augment the more formal reporting regime

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
1.1	Well-organised, stable and effective political groups.	The four year political window provides a crucial opportunity for a new way of working within and between political groups. The INLOGOV report (2017) provides a baseline of issues for political groups to consider and subsequently tackle, 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. - A softer set of skills will be needed in future, including listening, learning from others and engaging with residents in a variety of ways. Group Leaders meet regularly with the CEO and ACE; providing a positive forum to take forward this work. Group leaders dealing with any breaches and risks of breaches of member/officer protocols, the Council’s constitution and agreed ways of more modern mutually respectful working	Formal self-assessments required by all political groups – with process and developmental changes formally captured and reported against. ACE to coordinate with Leader, Deputy Leader and Group Leaders. Collate summary of changes that have been made by political groups. Update to INLOGOV report to be commissioned in-year 2018.	Formal updates against self-assessment action plans to follow on a monthly basis. Commencing in August 2018. INLOGOV update report as a year 1 stock-take evaluation in September 2018. Subsequent actions for years 2-4 to be identified. Discipline for social media and actions – Member protocols consistently understood and adhered to, learning from previous investigations.	ACE with Group Leaders / Deputy Leader
1.2	Effective, timely and balanced communication and engagement of all political groups. Effective and timely officer support into all political groups of the Council.	There are currently inconsistencies about expectations and protocols about officer briefings of political groups, with ad-hoc briefings on topics and a lack of equity / balance in information provision to all groups. Much improved cross-party leaders’ meetings with good tone, level of honesty and support. The role of Council Business Management	A structured briefing programme to be offered for all political groups based on a robust, published forward plan. Formalise senior officer discussions with Group Leaders through monthly CEO 1-1 briefings with group leaders, ACE co-ordination of agenda and briefing pattern for joint group leaders and regular consideration at CMT. More emphasis on all-member sessions as part of / following medium-term induction plan.	Annual survey of councillors to establish satisfaction with connectivity with Council and briefing arrangements. October 2018. Actions and changes to group leaders meetings effective from July 2018.	City Solicitor / ACE in concert with Group Leaders / Deputy Leader

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		Committee (CBM) does confuse this consistency and clarity across groups – with topics deferred to CBM rather than group leaders and inconsistency in representation. A Members’ newsletter exists, but the extent of clear and consistent messaging for Members (at Council and ward level) could be substantially improved.	Review of role and terms of reference of CBM as part of constitutional review. Ongoing training for members around social media and internal communications networks to enable more agile provision of information.		
1.3	Effective, modern governance and decision-making processes at Full Council and Cabinet in line with accepted best practice (learning from good practice and guidance identified by Solace and CIPFA)⁴ Guidance of decision-making through a modern constitution, coherent Council Plan and robust policy framework. Modern and effective support functions to underpin the decision-making process.	The four year political window provides a crucial opportunity for a new, robust 4 year Council Plan, policy framework and delivery programme. The Council has previously had a vision statement, delivery plan (alongside the budget) and policy framework within the constitution. It is clear, however, that these are not owned or adhered to within the organisation as demonstrated by examples of weak delivery and lack of policy refresh. The constitution and policy framework is in need of modernisation. Bench-marking with sector leading peer required as part of this review. The standard report structure requires revision. The processes that sit ‘behind’ decision-making are unduly complicated and lead to confusion and regular late reports. The staffing structures that support	Extensive joint working between the new Cabinet and CMT to agree a new Council Plan and Performance Framework (June 2018) Changes to the policy framework to be agreed at Cabinet / CBM with a programme of policy review undertaken against the revised framework (ongoing 2018-19). Complete the constitutional review Complete the report structure review (July 2018) Complete the LEAN review of Council and Cabinet decision-making cycle and implement changes. Complete service reviews of the Democratic	Actions to be implemented and monitored monthly within municipal year 2018 / 19. New Council Plan and Performance Framework (June 2018) Changes to the policy framework to be agreed at Cabinet / CBM (July 2018.) Gap analysis against policy framework (reviews) to be undertaken quarterly Complete the constitutional review (September 2018) Complete the report structure review (July 2018) Complete the LEAN review of Council and Cabinet decision-making cycle and implement changes (September 2018) Monitoring of reduced late reports (monthly) Annual survey of councillors to establish satisfaction with decision-making processes. External audit letter to highlight no	Assistant CEO City Solicitor City Solicitor City Solicitor City Solicitor City Solicitor City Solicitor / Assistant Chief Executive

⁴ [Delivering Good Governance in Local Government \(Solace and CIPFA\)](#)

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		governance and decision-making are fragmented and have not been reviewed formally for many years. Very limited presentation of reports and strategies to Full Council High cost of use of paper for publication of papers at every council meeting	Services and Cabinet / Leader support functions to ensure modern and effective ways of working (September 2018) Cross-party and pan-committee agreement on the nature of business to be brought to Council. Agreement to paper free arrangements except for visitors. Committee Services to stop using blank pages. Only print the agenda and reports, not the minutes of the last meeting.	material concerns re timeliness and probity of decision-making (March 2019). Report to CBM mapping out proposed nature of business to Full Council (September 2018) in line with O&S work programme, policy framework and Council Plan Reduced paper arrangements in place (September 2018)	City Solicitor City Solicitor
1.4	An effective and proactive Scrutiny function / work programme in line with national best practice (informed by the expertise of Centre for Public Scrutiny) ⁵	O&S undertook a strategic review during 2017-18 with recommendations agreed by Full Council around a new committee structure and improvements to ways of working. There is a legacy of a lack of genuine cross-party agreement regarding proportionality of scrutiny chairs and vice-chairs. For 2018-22 it has been agreed that all vice-chairs will be from opposition groups. Whilst not yet delivering on opposition aspirations re chairs, this represents a degree of progress and is comparable to peer core cities. There has historically been a lack of synergy in forward planning of agendas between the Executive and O&S.	Implementation of O&S changes Forward planning workshops for the new O&S oversight committee (chairs committee) with formal engagement with all group Leaders. Each committee to engage peer councils in elements of work programme during 2018 Utilisation of O&S for policy development purposes.	O&S review actions undertaken and / or report back to Full Council (September 2018.) Genuinely integrated O&S work planning in light of the Council Plan and priorities (September 2018). Robust programme of Scrutiny activity with flexibility for well-organised topical work (September 2018 onwards) Scrutiny members with strong links into Local Government Association, peers and able to access advisory resources outside the Council, e.g. Think Tanks.	City Solicitor City Solicitor City Solicitor / Assistant Chief Executive
1.5	Depth of understanding of governance rules and standards,	Variable understanding by elected members of rules governing local authorities	Extensive, ongoing new member development programme required including:	Member Induction and Development Programme on offer for all Members	City Solicitor

⁵ [Realising the Potential of Scrutiny \(CfPS\)](#)

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
	including financial regulations across all Elected Members (learning from good practice and guidance identified by Solace and CIPFA) ⁶	depending on experience and background. Reviews of governance arrangements and ‘lessons learnt’ regarding induction process pre-election, with positive engagement from Cabinet, group leaders and scrutiny chairs. INLOGOV research in 2017 found issues in terms of barriers and hierarchies within political groups based on age / experience.	• Induction • Information • Guidance • Peer support Elected Member mentoring programme and evaluation of its impact. Ongoing LGA, professional body and peer working required to challenge and assure the BCC governance arrangements for / throughout the 4-year term.	(May 2018), including dedicated sessions on ‘governance’. Rolling-programme of induction and briefings (June – September 2018). INLOGOV update report as a year 1 stock-take evaluation (September 2018) to identify that members have a good understanding of the governance rules and standards. Reduced standards committee referrals. (March 2019) Structured LGA partnering programme in place for all key political post-holders	HR Director / LGA Principal Advisor (WM)
1.6	Appointments to outside bodies (working with the LGA principal advisor to assess effective national exemplars)	Current approach lacks structure, clear rationale and exposes individuals / council to risk.	Deputy Leader guiding a process of review with support from City Solicitor - reviewing what Council appoints to and why, how we manage relationships and degree of support & training to mitigate risk for councillors and officers sitting on third party boards.	Initial AGM appointments confirmed (June 2018) Wider representational roles amended (September 2018) Third-party training in place (September 2018) External audit letter to highlight no material concerns re probity of third party decision-making (March 2019).	City Solicitor / Deputy Leader
1.7	Effective joint working between senior members and officers, with clarity of roles and responsibilities (as identified in the 21 st Century Public Servant ⁷ and 21 st Century Public Councillor ⁸ research)	The Council has had three leaders and three Chief Executives in two years – in part due to serious disagreements about the role definition of senior members and officers. These issues came to the fore during the waste dispute of 2017 when the high court judge presiding expressed that, “neither party [officers or members] comes out of this sorry saga with any credit at all.” An INLOGOV review in 2017 found blurring of officer, elected member and partner	A comprehensive and transparent view of the Council’s improvement journey needs to be understood and ‘owned’ by the new administration and the new senior officer team. An independent review on governance of waste services is underway. Member and officer development programme on the range of roles of a councillor:	All Members and officers clear as to roles and responsibilities. Robust and consistent induction and ‘line in the sand’ for all members post-election. (May 2018) Waste review findings implemented INLOGOV update report as a year 1 stock-take evaluation (September	Chief Executive and Leader Chief Executive and Leader Assistant Chief Executive

⁶ [Delivering Good Governance in Local Government \(Solace and CIPFA\)](#)

⁷ [21st Century Public Servant](#)

⁸ [21st Century Councillor](#)

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		roles to be taking place. 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. Some very positive work, however, has been undertaken through engagement with the University of Birmingham (21st Century leadership) and latterly through review / engagement around member induction 2017. This identified a BRUM Leader model which can be applied for staff and member development purposes. Use of Forward Plan for planning for future Cabinet agendas not used consistently Cross-party Member Steering Group was set up, which Deputy Leader chairs. The Steering Group have designed the Member Induction as Welcome/Welcome Back and the Deputy Leader created a member relationships map which has been well received. A councillor profile was produced to outline the expectations of the role and an A5 leaflet was designed to assist candidates and provide advance warning of dates. This was uploaded onto the website.	• What the Council is and does • What being on outside bodies means • Other appointments • Community roles • Partnership roles • Strategic governance and scrutiny roles Regular meetings of Leader and Deputy Leader and Chief Executive Structured programme of joint EMT & CMT workshops to generate the four year council plan, performance framework and budget. Restating of importance of Forward Plan process in order to inform EMT preparation around key cabinet decisions The Deputy Leader will continue to undertake exit interviews and gather information from previous members of what went well and what can we learn from. Similar such processes are required for senior/non-senior staff exits and interim officer feedback. Work programme with INLOGOV and University of Birmingham to ensure that we are developing 21st Century Councillors and Officers – including a session purely on this as part of the Member Development Programme	2018) to identify improvements in role definition. Refreshed staff survey and improved results (September 2018) Efficient and effective forward planning process with appropriate preparation / quality assurance of report risks / implications in good time – in line with the formal Forward Plan (July 2018 onwards) We will continue to obtain feedback from our stakeholders and partners and build this into our learning and improvements. Ongoing member development programme for Elected Members, co-ordinated by the Member Steering Group. (July 2018 onwards). Evaluation findings from the programme to demonstrate whether new approaches have added value / had an impact. (September 2018) Ongoing development programme for officers, co-ordinated by OD team on behalf of Council Management Team. (July 2018 onwards)	HR Director HR Director Chief Executive and Leader HR Director and Deputy Leader

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
1.8	True reflection of the city's population in the governance of the Council (Fawcett Society and LGiU; ⁹ Councillors Commission) ¹⁰	Despite the changes to political leadership and officer governance over the last three years, the make-up of Cabinet and senior committee / scrutiny roles did not substantially change. Strong piece of policy work undertaken by the Deputy Leader around Women's Leadership – in concert with the 100th anniversary of the Representation of the People Act. WMCA Leadership Commission underway.	Strategic review of equality and diversity across all levels of the Council's operations – learning from good practice from across the country (e.g. Coventry) – and benchmarking the degree to which the Council is representative in terms of characteristic groups, 'place' and social mobility / cohesion. Implementation of Women's Leadership actions. Constructive response to the WMCA Leadership Commission findings.	Clear equality plan for the Council in place, and actions underway (October 2018) A more representative Cabinet and engaged body of councillors in consideration of wider diversity and equality around different political groups. (June 2018) Implementation of Women's Leadership actions. (September 2018) Evaluation against criteria for success agreed at the start. Constructive response to the WMCA Leadership Commission findings. (July 2018)	Chief Executive and Leader Assistant Chief Executive and Deputy Leader Chief Executive and Leader
1.9	The Council should prioritise local leadership and neighbourhood empowerment. Redefinition of the Community Councillors' role with emphasis on neighbourhood convening and local leadership (for example, taking learning from leading practice as identified by the LGA to involve and understand residents)¹¹	All-out elections and changes to ward boundaries in May 2018 mean newly elected Councillors are representing different areas and people. Historically, the 'distance' between Council and community has been extensive in Birmingham, and the district committee model (now removed) failed to alleviate this problem. The council has failed to establish an empowering and devolved model of governance. O&S undertook an extensive piece of work to consider appropriate peer models for local leadership. The route for Members to resolve enquiries and case work has been confused and inefficient. The INLOGOV review found a range of skills and competencies across the range of elected members.	The Council should develop a compelling policy response to the O&S review into local leadership. A new model of local support arrangements to ward members should be put in place, with an emphasis on ward forums and ward plans as a 'minimum' offer to communities – extending up to more sophisticated arrangements pending the capacity and interest of local residents. Implementation of a new case management system Member and officer development programme on the range of roles of a councillor	'Green Paper' into Local Leadership (June 2018) 'White Paper' into Local Leadership (October 2018) and implementation plan (ongoing). Development of new town and parish councils and establishment of neighbourhood charters and mini-devolution deals (2019-2020) Implementation of a new case management system (September 2018) Ongoing development programme for Cabinet Members over the next four years. (July 2018 onwards)	Chief Executive and CMT

⁹ [Does local government work for women? \(Fawcett Society and LGiU\)](#)

¹⁰ [Representing the future \(Councillors Commission\)](#)

¹¹ [New Conversations - LGA guide to engagement](#)

1 Political leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
1.10	A need to focus on priorities and outcomes – explicitly putting residents at the centre of improvement planning and decision-making.	The Council is taking steps to ensure citizens are at the centre of improvement planning and decision-making - e.g. 'Be Heard' database of consultations open to the public and used to inform planning, annual budget consultations take place to inform resource allocation – but these mechanisms are at an early stage of maturity. Residents survey results presented to Members for planning. Key areas for improvement have been identified – Corporate Governance, Education, Children's, Waste and Adults.	Key milestones for all improvement areas will be mapped out to ensure the Council is making continuous progress. Post-elections, a new Council Plan is being developed in collaboration with Councillors and officers that focusses on outcomes for citizens of Birmingham. The Council's performance framework will be extensively reviewed. Something needs to be said about the existing framework not being sufficiently self-challenging or sufficiently priority focused and outcome focused. There has been a tendency in the past toward highlighting positive progress while under-reporting and inadequately owning and addressing poor performance, BCC's extensive challenges and significant risks. Data from resident surveys are used in our early priority planning in the summer so that residents' priorities are reflected.	Council Plan for 2018-2022 will identify key priorities and outcomes based on the needs of the City's citizens. (June 2018) The Council will make improvements in key priority areas. (Monitored monthly) Early and comprehensive engagement process for the MTFP and 2019-2020 budget (October 2018)	Chief Executive and Leader Deputy Leader and CMT Chief Finance Officer and Portfolio Holder

2 A Modern and Progressive Organisational Culture <i>Effective political and managerial must be underpinned by an organisational culture that promotes shared working across Directorates, encourages transparency and honesty, and supports leaders to take personal responsibility of issues and challenges.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		The components of a new organisational culture programme will be developed internally through staff, member and partner engagement. ‘Best in class’ examples in the sector will be assessed (for example, from guidance developed by the Young Foundation) ¹² and the 21 st century public leadership model ¹³ will be a template for role definition and development.		A new strategic Workforce Plan will define a new ‘culture dashboard’ with appropriate timelines for monitoring improvements in years 1, 2, 3 & 4. This will include staff, member and stakeholder feedback. (September 2018)	
2.1	Tackling defensiveness	This corporate governance plan represents a ‘line in the sand’ in terms of the Council confronting the degree of honesty and rigour required in order to tackle historic weaknesses in organisational culture.	Identify where the defensiveness emanates from in the organisation and why it occurs and how things might change.	We will have a genuine understanding of where we are and what needs to change (June 2018) and we are willing to be consistently explicit and honest about this with residents and other stakeholders	Chief Executive and Leader
2.2	Taking personal responsibility and owning any problems, challenges and poor performance Embedding a Learning Organisation approach – ie proactively seek out challenging comparisons and new ways of working to continuously improve effectiveness and efficiency Building the capability and capacity across the organisation to enable the Council to continuously adapt so that it is equipped to effectively address not only its existing challenges but is shaped so that it can meet future new challenges and effectively embrace new opportunities	Dedicated sessions as Extended Leadership Team have taken place regarding management grip; ownership; accountability; housekeeping and our aspiration to be top quartile.	Workforce Strategy will be developed to continue to encourage a culture of lead officers taking responsibility and demonstrating? accountability for the results of the organisation Accountability frameworks in place Learning and feedback? Constructively challenging each other and listening to challenge from elsewhere Responses to external reviews and inspections and audits – embrace and learn from the criticism rather than seeking to rebut it or excuse it	The council won’t operate on a ‘blame culture’ basis and officers will instead be confident owning problems, challenges and poor performance. The Council’s values and behaviours are part of the Members’ everyday working [Culture dashboard – September 2018] The absence of, or rare occurrence of, Member behaviour that has the risk of bringing the Council into disrepute	HR Director
2.3	Role modelling of BCC values, new culture and new ways of working	Currently there is a People Strategy which incorporates some components we intend to include in the new Workforce Strategy.	The values and behaviours are key components that will be included in the new Workforce Strategy. The new CEO will drive forward changes to culture and new ways of working, which will underpin the new Workforce Strategy.	All BCC staff are confident in their understanding of the Council’s values and behaviours. Lead officers are good role models of the Council’s values and behaviours, and the new culture and ways of working. Clear expectations of leadership,	HR Director

¹² [What is an empowering authority? \(The Young Foundation\)](#)

¹³ [21st Century Public Servant](#)

2 A Modern and Progressive Organisational Culture <i>Effective political and managerial must be underpinned by an organisational culture that promotes shared working across Directorates, encourages transparency and honesty, and supports leaders to take personal responsibility of issues and challenges.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		The components of a new organisational culture programme will be developed internally through staff, member and partner engagement. ‘Best in class’ examples in the sector will be assessed (for example, from guidance developed by the Young Foundation) ¹² and the 21 st century public leadership model ¹³ will be a template for role definition and development.		A new strategic Workforce Plan will define a new ‘culture dashboard’ with appropriate timelines for monitoring improvements in years 1, 2, 3 & 4. This will include staff, member and stakeholder feedback. (September 2018)	
				culture, ways of working, etc. will be informed by robust data and set out in the Workforce Strategy. [Culture dashboard – September 2018]	
2.4	Tackling avoiding making difficult decisions and having challenging conversations	Some difficult decisions have been taken over the last eight years. Challenging conversations have been had around, for example, Equal Pay, Air Quality and the bin strikes. The new CEX commenced work with the senior leadership teams on making difficult decisions and having challenging conversations but further work needs to be done to support staff in making difficult decisions	Workforce Strategy will include continuing to promote a culture of resilience and transparency, especially in challenging contexts.	Councillors and officers will be confident in making difficult decisions and having challenging conversations. [Culture dashboard – September 2018]	Chief Executive and Leader
2.5	Collegial working – a one-council approach is needed.	Changes to CMT by new CEO will support cross-directorate working and cement team-working. Regular briefings to CMT.	CEO and CMT to develop a joint, overarching approach. Effective communication and engagement plan	Directorates will no longer work in silos and activity across directorates will complement rather than duplicate. [Culture dashboard – September 2018]	CMT
2.6	Using insight and intelligence to drive and shape improvement, and to track which strategies and plans are working.	Council’s insight teams produce excellent data and intelligence. The team is used council-wide to inform planning, e.g. Member Induction sessions post-elections.	Effective use of data in planning 4 year Council Plan.	Regular insight, intelligence and policy ‘products’ that provide purposeful <i>analysis</i> to inform CMT and EMT decision-making to enable and support continuous improvement. (July 2018 onwards)	Assistant Chief Executive and Chief Operating Officer
2.7	Optimistic staff attitude	Driving lasting improvement has been challenging given the state of flux the council has experienced over recent years (e.g. changes to political and managerial leadership). The arrival of new permanent CEO, assistant CEO and CFO, and political stability from the new 4-year term, means driving long lasting change is more feasible.	Development and training Continue to promote a positive culture Regular dedicated sessions at CMT, ELT and engagement with the whole workforce. The new CEO provides weekly bulletin to all staff and members.	Councillors and officers have a positive and enthusiastic attitude to achieving lasting improvement. [Culture dashboard – September 2018] CMT will have visibility across all locations and not just the central administration buildings – as evidenced by staff survey results in	Chief Executive and CMT

2 A Modern and Progressive Organisational Culture <i>Effective political and managerial must be underpinned by an organisational culture that promotes shared working across Directorates, encourages transparency and honesty, and supports leaders to take personal responsibility of issues and challenges.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		The components of a new organisational culture programme will be developed internally through staff, member and partner engagement. ‘Best in class’ examples in the sector will be assessed (for example, from guidance developed by the Young Foundation) ¹² and the 21 st century public leadership model ¹³ will be a template for role definition and development.		A new strategic Workforce Plan will define a new ‘culture dashboard’ with appropriate timelines for monitoring improvements in years 1, 2, 3 & 4. This will include staff, member and stakeholder feedback. (September 2018)	
				year 1 2018-19. More personal touch to staff awards by CEX and Leader and this will be done on site at the employee’s place of work for recognition of job	

3 Managerial leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i> Note that a number of the improvement aims in section 1 – political leadership – involve dual actions for both officers and elected members. For brevity, these actions are not duplicated below.					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
3.1	ELT with good knowledge and understanding of Council constitution, standing orders and financial regulations and a commitment to the council's corporate agenda	ELT has variable understanding of Birmingham's current governance arrangements due to mix of experience and recent turnover in senior posts, changes to documentation and reliance on support services roles. INLOGOV's report highlighted the need to look beyond the BCC 'bubble' to understand emerging best practice around public service reform.	Senior officer development programme including: • Induction • Information • Guidance • Peer support Dedicated ELT development sessions on good governance and new, structured approach to strategic ELT topics with emphasis on peer learning.	Revised induction and development programme underway (by October 2018). External audit letter to highlight no material concerns re paucity of officer advice on good governance issues. (March 2019)	Chief Executive and CMT
3.2	Chief Officers' communication, engagement and collegial working (for example, LGA's recommendations for improving internal communications will be used to inform our approach) ¹⁴	The Council's recent history has seen a high degree of turnover in critical senior positions, a high proportion of interim post-holders and extensive, unfilled vacancies. Staff survey results were underwhelming in terms of response rate, and highlight significant silos, detachment of senior management and a lack of effective communication. There has been variable attendance and at past CMTs and other meetings. Attendance at CMT and ELT is being addressed personally by the Chief Executive A further staff survey is about to be launched.	Review of CMT arrangements underway - weekly CMTs, standing agenda with a balance between standing items (e.g. budget, forward plan) and business / strategy items. ELT to be made more strategic with structured approach to strategic workshop topics and transparency / inclusivity about strategic direction. Improved policy and communication products at CMT & ELT. Improved use of technology to break down staff barriers – Yammer, social media and blogging / CEO updates.	CMT and ELT actions underway by July 2018 Directorates will no longer work in silos and activity across directorates will complement rather than duplicate. (ongoing) Improved staff survey response rate (September 2018) and steady increase in staff morale and engagement measures (Yr2,3&4)	Chief Executive and CMT
3.3	Comprehensive and transparent advice to Elected Members to support effective decision-making	Historically, advice given to Elected Members prior to decision-making has been variable and there have been failures to implement the difficult decisions that Elected Members have taken. Many such examples have been conducted without requisite transparency for the benefit of Elected Members or the citizens of Birmingham.	Establishment of forward plan and rigorous application of renewed CMT discipline – with cross-functional debate and risk / professional assessment prior to advice being formally provided to elected members (through Cabinet portfolio briefings or EMT.) Implementation of a revised budget and performance board, with monthly updates provided with transparency around any changes / decisions required. More proactive senior officer involvement in O&S processes –including engagement in	Improved timeliness, grip and informed decisions in line with the Council Plan and Forward Plan / changes to CMT ways of working. (July 2018) Improved transparency of Budget and Performance Board updates and decisions. (July 2018) Actions arising from O&S review to be implemented. (September 2018)	Chief Executive and CMT

¹⁴ [LGA - Top 10 tips for better internal communications](#)

3 Managerial leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i> Note that a number of the improvement aims in section 1 – political leadership – involve dual actions for both officers and elected members. For brevity, these actions are not duplicated below.					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
			development of O&S work programme, and then senior officer support to O&S chairs to challenge policy development and advice / scrutiny of policy implementation. Complete the LEAN review of Council and Cabinet decision-making cycle and implement changes. Improved evidence and insight underpinning officer advice and options / implications presented to elected members.	LEAN review of Council and Cabinet decision-making cycle and implement changes (September 2018). Review of insight and intelligence functions and products to CMT and EMT (September 2018)	
3.4	Robust, thorough and consistently applied staff induction processes (drawing on guidance from CIDP ¹⁵ and building on good practice from Barnet Council ¹⁶ and Nottinghamshire County Council ¹⁷)	There is a recent history in the Council of some formal staff induction meetings, a consistent ‘pack’ and relatively sophisticated compulsory online training portal. There are recent examples, however, of staff not being on induction, and a history of staff not systematically enabling or coordinating the kind of induction that addresses the organisation cultural issues, role-modelling opportunities or consistent ‘One-Council’ messaging.	Corporate inductions will be refreshed to reflect recent political, managerial and structural changes to the council. There will be a focus on corporate obedience regarding managers inducting their staff and having the relevant tools to do so. The new CEX is keen to run regular face to face sessions with the Leader as a welcome and introduction to BCC – this is work in progress.	All staff will receive a full induction to the council within 2 months of starting. (As of September 2018) Staff report (as part of survey) increased visibility of senior management	Chief Executive and HR Director
3.5	A modern and fit-for-purpose workforce	Whilst an extensive and varied workforce, generally the workforce statistics are typified by a lack of turn-over, new skill-sets and experience outside of Birmingham. Recent examples of industrial disputes and archaic processes also highlight a culture of protectionism and lack of customer-focus.	A new workforce plan will replace the current People Strategy and oversee a dramatic and sustained change to: - - Recruitment - Retention and talent management - Assessment of skills and competency gaps - Appraisal and staff performance management processes - Apprenticeships and graduate development - Industrial relations processes and engagement Staff survey as baseline for council improvement. The key indicators from the survey to be used and the trend analysis and the	Completion of workforce plan (September 2018) Monthly monitoring of a new basket of internal ‘organisational health’ workforce measures (October 2018 onwards) Staff survey (September 2018) Most important measures	HR Director

¹⁵ [Induction Factsheet - CIDP](#)

¹⁶ [Barnet Council - Employee Handbook and Induction Checklist](#)

¹⁷ [Nottinghamshire County Council - Employee Induction Guide](#)

3 Managerial leadership <i>Effective political leadership and managerial leadership, working as a constructive partnership.</i> <i>Note that a number of the improvement aims in section 1 – political leadership – involve dual actions for both officers and elected members. For brevity, these actions are not duplicated below.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
			most recent baselines TBA	Improved employee engagement and confidence. Improved sickness absence. Changed workforce demography. To better reflect the demography of the city Improved motivation and morale in employees. Leaders and employees are advocates for BCC.	

4 Strategic planning, financial and performance management <i>Effective corporate and financial framework to ensure strategic focus, transparency and governance.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
4.1	An agreed City Vision and clear lines of accountability for areas of partnership activity.	Historical failings in strategic and statutory partnerships are evident. For example, disintegration of relationships and pooled funding models in the STP; the failure of the H&WB to publish an annual public health report or domestic homicide reviews; lack of regular / active engagement in Local Resilience and Community Safety fora; lack of and over-arching strategic forum for Children and Young People's issues. There is no accountability and performance framework for outcomes delivered with partners. Initial discussions with partners 17 January 2018 embedded vision themes, secured a commitment to a shared outcomes framework and partnership structural review. Pre-election thematic discussions with partners developed an action plan for implementation of partnership changes. No formal city-wide partnership framework / adopted structure and no 'over-arching' partnership guiding activity strategically.	Further work with Partners implementing agreed review of partnership structures, priorities and aligned work programme towards owned partnership KPIs in support of the achievement of a shared vision. Creation of a City Board to enable strategic partners to maximise opportunities in the city and anticipate changing trends / challenges. Shared clarity about the mission, objectives and purpose of individual partnerships and how they will judge their performance against a shared outcomes / accountability framework. Shared process of monitoring, measuring and learning by seeking and acting on feedback on the council's performance from our partners and being transparent about the results.	Officer engagement with partners March-June 2018 Political review, engagement and launch of proposed new partnership model June – July 2018. Implementation of changes following summer of engagement (September 2018) Formal adoption of a new partnership outcome and accountability framework (April 2019) Evaluation with partners required – consideration of independent evaluation (potentially through INLOGOV refresh or peer review) – January / February 2019.	Chief Executive and CMT
4.2	A revised Vision and Priorities for the Council	A new vision, priorities and values statement was developed for the Council in 2016-17, however, this lost traction within the organisation due to turnover in Leader(s) and Chief Executive(s). For the 2018-19 budget, a delivery plan was created that loosely echoed the former vision and priorities statement.	Integrated planning, priority-setting and budgeting planned with CMT and EMT post-election – based on insight, the administration's manifesto and advice regarding service priorities / demand pressures. Following elections, Cabinet portfolios are changing to correspond with the new priorities. New Vision and Council Plan to be agreed by Cabinet.	Clear priorities that reflect the needs of Birmingham's citizens and are agreed by members and lead officers. (June 2018) Clarity with officers and members around where accountability lies in portfolio and chief officer leadership roles (July 2018 onwards).	Chief Executive and Leader
4.3	Effective strategic performance management	There is regular performance reporting to Cabinet which has informed the Council's key priority areas for improvement. All KPIs are mapped back to the legacy Council vision and priorities. It is apparent, however, that the suite of KPIs currently in	Strategic review of performance framework required, in concert with production of Council Plan 2018-2022. This refreshed performance management framework will integrate priority outcomes and measures; service outcomes and measures; and	Revised strategic framework in place by July 2018. Monthly finance and performance reporting to CMT, EMT, and Cabinet commencing July 2018.	CMT

4 Strategic planning, financial and performance management <i>Effective corporate and financial framework to ensure strategic focus, transparency and governance.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		use are not all outcome-focussed or comparable to core city or leading council norms and therefore it is not apparent how effective Council services / outcomes are or whether targets are challenging enough. This leads to a lack of peer learning, self-critique and performance stretch. Similarly, the Council's extensive improvement journey is not evident in the current performance framework – with a lack of proportionate actions that are aimed at shaping and driving change at an appropriate pace. The Council's plans and performance management processes do not overtly embed insight and intelligence, and nor does the performance cycle appear to be adaptable enough to inform in-year decisions, strategies, plans or resource deployment where adjustments are required.	governance / improvement plans with key priority areas for improvement along with milestones to monitor progress to be included in the new Council Plan 2018-2022. Future KPIs will be mapped back to the new vision and priorities. Monthly CMT and EMT will review reports and take action to address resource or performance-led interventions. Improvement block included in Council Plan. Revised Council-wide performance toolkit to provide peer examples, a culture of learning and clarity on definitions / standards (on issues such as data quality and reporting protocols.)	Integration of revised approach into business as usual and improvement plans (September 2018) Improved feedback from inspectorates and external auditor regarding efficacy of strategic and service performance management (April 2019) Annual review of framework to ensure timely reviews to show to what extent any strategies are achieving the set goals. (April 2019)	
4.4	Effective 'people performance' appraisal framework ¹⁸	Currently misaligned and inconsistently applied performance appraisal system. Despite historically leading to performance-related pay increments, the model has limited quality assurance and no peer-validation or strategic talent management arrangements.	Strategic review of current appraisal system assessing 'best in class' public and private examples. Revised performance appraisal system in place, embedded, used purposefully and delivering improved performance.	Strategic review of current appraisal system assessing 'best in class' public and private examples. (October 2018) Revised performance appraisal system in place, embedded and delivering improved performance. (April 2019, 2020 and 2021 trajectory)	HR Director and CMT:
4.5	Effective Medium Term Financial Strategy (see CIPFA's report on medium-term financial strategies) ¹⁹	Although core MTFS and budget documentation has been in place, the last three financial years have been typified by late / partial advice regarding options; lack of rigorous consultation; and failed implementation. This has led to a 2017-18 out-turn report drawing on substantial levels of reserves in order to balance the Council's budget – thereby undermining the efficacy of the Council's MTFS.	Priority based budget approach to be deployed in early summer as part of the council planning process. Integrated preparation underway for Council plan, MTFS and budget cycle. Robust MTFS and priority-led covering 2019-22. Monthly reporting to CMT and EMT of the fully integrated financial management, performance management and risk/opportunity management	First cut of MTFS and budget in August 2018 Final draft MTFS and budget / Early budget consultation October 2018 – Feb 2019 Improved rigour of reporting September 2018 onwards	Chief Finance Officer and CMT

¹⁸ [Performance appraisal factsheet \(CIPD\)](#)

¹⁹ [Looking forward - Medium-term financial strategies in the UK public sector \(CIPFA\)](#)

4 Strategic planning, financial and performance management <i>Effective corporate and financial framework to ensure strategic focus, transparency and governance.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
			position. Clear trajectory as part of a renewed MTFS, as to how the Council reduces reliance on reserves. A ‘total’ view of revenue and capital reporting on a monthly basis to inform accurate, timely and transparent decision-making.	Improved trajectory of use of reserves in 2018-19 out-turn report No material concerns in external audit report April 2019.	
4.6	Effective Capital Strategy (outlined by CIPFA) ²⁰	Linked to above MTFS and to revised Property Strategy	A ‘total’ view of revenue and capital reporting on a monthly basis to inform accurate, timely and transparent decision-making. A ‘total view’ of Council investment and Treasury management risk associated with legacy and new capital investments	Fully integrated Capital Strategy (April 2019)	Chief Finance Officer and Economy Director.
4.7	Effective risk management strategy and implementation (learning from good practice and guidance identified by Solace and CIPFA) ²¹	Risk registers exist for individual directorates and for the corporate organisation but need to be refreshed and more consistently applied for real-time management purposes Risk registers in the past have been perhaps too ‘optimistic’ in outlook – downplaying the risks and the challenges in managing and mitigating BCC’s key risks and in effecting change	Co-ordinated revision of corporate and directorate risk registers and associated processes Reestablishment of Corporate Governance Group to oversee high risk workforce issues	Revised structure and content of corporate risk register (October 2018) Revised structure and content of Directorate risk structures (April 2019)	Chief Finance Officer and CMT
4.8	A fit-for-purpose and modern Industrial Relations Framework	Wholesale review of the Council’s industrial relations framework in concert with workforce plan and HR service review The learning from the Investigation and the Waste dispute costs, processes and impacts will be key here. The Equal Pay risks relate	a) Logistics and support b) Governance and meetings frameworks c) Style and culture d) Corporate management with members	Discussion paper for discussion with Elected Members and proposals for discussion with trades unions (July 2018) An industrial relations framework that enables the delivery of the Council Plan and MTFS (September 2018)	Chief Executive and Leader
4.9	Effective Legal and Governance Services	Need for different financial model to provide Legal Services. Very high expenditure on counsels’ opinion and agency staff. Governance of mixed effectiveness –	Revised model for provision of Legal Services ready for consultation.	Model ready for consultation with a view to implement. (September 2018) Setting new standards and effective delivery of governance function, for example, reduced external costs,	City Solicitor

²⁰ [Capital Strategies and Programming - Summary \(CIPFA\)](#)

²¹ [Delivering Good Governance in Local Government \(Solace and CIPFA\)](#)

4 Strategic planning, financial and performance management <i>Effective corporate and financial framework to ensure strategic focus, transparency and governance.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		current review of Committee Services. Current review of Scrutiny Review of structure and setting new standards and functions currently underway.		improved stability of staff body and improved organisational performance measures (e.g. successful legal cases, reduced late reports.) [April 2019]	
4.10	Effective Financial Services	Need for more strategic approach to long-term financial planning Need for different culture and approach to day to day financial management and collaboration between corporate and service finance Structural review already undertaken and consulted on	Setting of new style and standards for financial management by finance officers Setting of new standards for financial management by service senior managers and training in them Putting in place of more reliable and more transparent financial reporting mechanisms Implementation to be undertaken	Finance officers reporting direct to S151 Officer with clear understanding of their role and part of managing the corporate whole. [July 2018] Service managers operating at higher level of financial management, meeting budgets and prioritising and re-prioritising [April 2019] Evident levels of transparency and plain English clarity in financial reporting Clear financial implications in all relevant report	Chief Finance Officer
4.11	Effective Human Resources Realistic and robust operating model (for example, adopting learning from various models presented by CIPD) ²²	Implementation of revised operating model for HR/OD in completion phase Next phase of the whole HR system redesign commenced 1 May 2018. Staff exits commenced in autumn 2017, with over 1/3 of the team reduced.	Workforce Strategy needed and overhaul of how the Council does JNC recruitment Embedding and review of efficacy of new model	New model fully effective from September 2018. Continuous systems and process reviews [April 2019 onwards]	Director of HR/OD
4.12	Effective ICT Service	Relatively new AD ICT Joint Venture with Capita in process of being dissolved New ICT management arrangements to be put in place	Corporate framework for prioritisation of ICT needs to be agreed by CMT with input from elected members Transition from Capita to more control by Council needs to be secured timescale to be agreed	Corporate framework for prioritisation of ICT needs to be agreed by CMT with input from elected members (September 2018) Transition from Capita to more control by Council needs to be secured (April 2019 programme established for transition)	Chief Operating Officer, Assistant Director ICT
4.13	Effective Procurement and commissioning	The current service is functional, but offers an opportunity for more savings through contract negotiation and a strategic	Service review to be undertaken in-year as part of budget and functional planning 2018-22.	Improved savings accrued from contracting and strategic commissioning processes.	Chief Operating Officer, AD procurement

²² [Changing HR Operating Models \(CIPD\)](#)

4 Strategic planning, financial and performance management <i>Effective corporate and financial framework to ensure strategic focus, transparency and governance.</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		commissioning approach. The Council is also seeking to deliver on ambitions around social value and enhancing the influencing role of the Council in shaping public and private sector spend across the city.	Quarterly Commissioning and Contract Management Board to be supporting in driving continual efficiency and improvement. A forward plan of procurement activity with each directorate in place and continually challenged by the relevant Cabinet Member, CMT and Commissioning and Contracting Board.	Improved Council performance in relation to 'social value' and local spend.	

5 Key Corporate Policies to enable effective corporate governance					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
5.1	Community Cohesion	Partner seminar held on 4 December 2017 Community Cohesion network being formed Proactive engagement with local partners / city exemplars taking place Hosted MHCLG working session and follow-up engagement on alignment between national, WMCA and local strategy New Community Cohesion Strategy being taken to Cabinet in May 2018	Continuing work on network Convening of Youth Seminar on cohesion Finalise strategy, engage group representatives and consult on draft strategy Ongoing engagement with MHCLG and WMCA	Draft strategy for May 2018 with final strategy in place for September 2018 Implementation dates to be agreed. Approach to community dialogues and conference approach to learning / practice sharing to be in place by November 2018 and then repeated on an annual basis thereafter. Suite of performance measures in development through research and national / local research (Sept 2018)	Cabinet Member Community Safety and Cohesion and ACE
5.2	Equalities and Diversity	Equalities function now very small but transitioned into Policy to mainstream / embed support across the Council	Production of a new Equalities Policy for discussion Proactive review of impact around budget and other decisions – in concert with legal colleagues	Revised equality policy and associated evaluation framework to be in place by December 2018; alongside whole-system review of Council systems and processes.	Assistant Chief Executive
5.3	Equal Pay	Council has paid out £millions in compensation for Equal Pay Council in discussion about future strategy on Equal Pay Cabinet recently approved Equal Pay Sub-Committee to take strategic decisions regarding the Equal Pay Strategy. The Corporate Governance Group has been re-established following the new Corporate Director Finance and Governance commencing in post.	Actions to be co-ordinated through established governance arrangements to alleviate risk associated with the Equal Pay challenge.	Agreement of a strategic way forward to deal with current and prevent future claims – endorsed by Cabinet (private) in August 2018. Managed spend against strategy on existing claims and improvement to spend profile over 2018-22 period.	City Solicitor

6 City Partnerships <i>Partnerships and key stakeholders</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
6.1	City-wide Partnership Framework	No formal city-wide partnership framework / adopted structure and no ‘over-arching’ partnership guiding activity strategically Analysis of developing partnership situation in reports to Improvement Panel 2015 onwards. Robust statutory partnerships in place Leader’s partnership summit 17th January 2018 has begun discussion with partners and clarified next steps.	Further engagement with Partners implementing agreed review of partnership structures. Discussion about focus on city-wide objectives and shared values Consideration with key partners about way forward, based on shared accountability for achieving shared goals Shared accountability framework to be worked on with partners Priorities to be discussed or explored for joint delivery planning.	Establishment of over-arching partnership framework through the Leader of the Council’s convening role with key partners (August 2018). Shared clarity about the mission, objectives and purpose of individual partnerships and how they will judge their performance. (October 2018) Shared process of monitoring, measuring and learning by seeking and acting on feedback on the council’s performance from our partners and being transparent about the results. (October 2018)	Leader, Assistant Chief Executive
	Statement of partnership values of openness, transparency, learning, collaboration, and safe and constructive challenge	Work started by new CEO Timetable to be added	Statement to be produced with partners and communicated and applied across the organisation and externally.	Building trust between the council and all our partners as tested by monthly ‘temperature take’ evaluation framework (July 2018 onwards) and 6 monthly partner survey (January 2019).	Assistant Chief Exec.
6.2	Children and Young People’s Partnership	Currently no over-arching CYPP but preliminary work done on Partnership set-up.	Development of partnership options and consultation on model. Timescales TBA Agreement on how children at heart of Council strategy. Timescales TBA Completion of a CYP Plan to link into overall council strategies. Timescales TBA	Creation of a strategic ‘home’ for Children and Young People’s issues in partnership and improved trust / joint working / risk and practice sharing across the CYP landscape.	DCS
6.3	Community Safety Partnership	Partnership in process of being strengthened. Need for higher profile.	More consideration with partners of current strategy. Emphasis on Domestic Homicide reviews and linkages with other statutory partnerships.	Delivery of statutory responsibilities and improved outcomes against agreed performance framework.	Place Director
6.4	Health and Well-being Board	Challenging CQC feedback around the functionality and governance of the H&WB A current clear agenda but needing to have work programme for health and social care improvement linked in more closely.	Concerted corporate direction with whole Cabinet about HWBB and STP. Delivery against CQC action plan. Revisions to membership, agenda and ways of	Delivery of statutory responsibilities and improved outcomes against agreed performance framework Evaluation of actions and improved outcomes against CQC action plan	Corporate Director Adult Social Care and Health

6 City Partnerships <i>Partnerships and key stakeholders</i>					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		Need for strengthening of profile and corporate attention. Need for stronger links to peer statutory partnerships and safeguarding leads	working for H&WB		
6.5	Birmingham and Solihull STP Board	Board established and meeting regularly. Cabinet Member for Health and Social Care and the Corporate Director for Adult Social Care and Health have membership. STP priorities undergoing a refresh – Completion date TBA	Need to maintain engagement to promote integrated approach to health and social care services across BSol. Need to ensure appropriate links to Council's governance processes, Corporate and Directorate Business Plans and Budget setting processes. Need to increase link to CYP Directorate	Improved performance in line with agreed STP outcomes and evaluation frameworks.	Corporate Director Adult Social Care and Health

7 Communications and transparency					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
7.1	Community engagement – a consistent and fair approach to whole-city engagement.	Good progress being made in this area, e.g. ASCH currently undertaking coproduction to redevelop the model for day care provision for adults – with over 700 stakeholders participating to date; plans to consult on the new Cohesion Strategy as well as Localism green paper 'Working Together in Neighbourhoods'.	The new Council Plan will outline our commitment to genuine community engagement. Workforce Strategy will be developed to include a plan for genuine community engagement. Regular engagement with communities will include face-to-face and online communication about our progress against the corporate plan to reach citizens in all areas of the city.	Council staff and the public will have a shared understanding of our approach to genuine community engagement. Engaging meaningfully and genuinely with communities across the whole of the city will become part of our everyday practice. Improved residents survey measures (March 2019 results)	Director of Place and Assistant Chief Executive.
7.2	Communications that is strategic and consistent, and supports the council's priorities	Centralisation of communications completed and new way of working and structure has been signed off by CLT and the Leader/DL, engagement with Trade Unions is the next phase before formal launch of consultation with staff. Alongside the restructure a new communications strategy is being developed to align with the work being done on the corporate plan.	Finalise strategic review of communications to support Council Plan priorities and clearer 'added value' of communications to service demand management and prevention Start the formal functional consultation	Specific outcomes to be finalised with conclusion of review – to be monitored monthly thereafter. (August 2018)	Assistant Director Communications Chief Operating Officer

7 Communications and transparency					
	Improvement Aim	Current Status / Relevant Background	Required Action	Outputs/Outcomes	Lead / RAG status (Green – complete / evaluated; Amber – on track; Red – off track)
		A specific internal communications strategy is in the final stages of completion and will be shared with CMT after discussions with the CEO.	Work with the development of the corporate plan to align the communications strategy Meet with CEO to agree draft internal comms strategy		
7.3	Effective Communications and Marketing	Communications functions in process of being consolidated with restructuring Previous peer analysis brought forward recommendations for improved digital engagement, social media policy and implementation. No agreed Communications and Marketing Strategy	Finalise Communications and Marketing strategy alongside strategic review of communications to support Council Plan priorities and clearer 'added value' of communications to service demand management and prevention Restructuring to be completed Draft framework for Strategy to be discussed at CMT. Public elements of Strategy for Cabinet Implementation headlines and key milestones to be agreed Measures of success and evaluation proposals to be agreed	Specific outcomes to be finalised with conclusion of review – to be monitored monthly thereafter. (August 2018)	Assistant Director Communications Chief Operating Officer

**REPORT OF THE CROSS-PARTY SCRUTINY GROUP
REVIEW OF SCRUTINY**

The motion:

City Council endorses the recommendations set out on page 11 – 12 of this report.

1. Introduction

At the meeting of Council Business Management Committee in November 2017, a cross-party sub-group was established to undertake a review of Overview and Scrutiny. Three years on since the number of committees was reduced, it is timely to review the role of scrutiny in light of changes to council governance, with the removal of District Committees (which had been given a scrutiny role following the Kerslake report) and in anticipation of further changes taking effect from May 2018.

2. Purpose of the Review

The purpose was to review the Council's scrutiny arrangements to ensure that Scrutiny is an effective partner in the council's governance, and is successful in providing constructive challenge and helping to drive improvement across the council and its services.

The key lines of enquiry were:

- To review the role of scrutiny: what role does the City Council want scrutiny to play in the governance of the City Council?
- To review the relationship with the Executive – how can scrutiny's role be better facilitated through the scrutiny / executive relationship?
- To review the structure of scrutiny – what structure (i.e. numbers and remits of committees, balance of standing committees and task and finish) will best deliver scrutiny's role?
- To review the resourcing of scrutiny in light of any proposed changes, bearing in mind the current financial context.

Seven members were appointed to the group: Cllr John Cotton (chair), Cllr Deirdre Alden, Cllr Basharat Dad, Cllr Roger Harmer, Cllr Brigid Jones, Cllr Gareth Moore and Cllr Claire Spencer. Meetings were held between December and February; this included a meeting with the three party leaders in January.

3. Background

Overview and Scrutiny in Birmingham has a long history as a well-respected and high-profile scrutiny function. Work over the years has won a number of awards and has made significant contributions to the governance and efficiency of the council.

A review of scrutiny committee numbers and remits was undertaken in early 2015, as required by the Kerslake Report of December 2014, but also in acknowledgement of the reduction in resources. Because of this review, the number of scrutiny committees was reduced by half, and District Committees were given a local scrutiny role. Nonetheless, the work programmes continue to encompass the full range of council policy and service areas. The number of scrutiny committees may have reduced, but the breadth and depth of work they are expected to cover has not.

Further work was undertaken in late 2016 and early 2017, when the Centre for Public Scrutiny (CfPS) facilitated workshops drawing together a mix of scrutiny members and officers, to discuss future approaches to scrutiny.

Scrutiny has also come under the spotlight nationally: the Communities and Local Government (CLG) Select Committee published its report on the effectiveness of local authority overview and scrutiny committees on 11 December 2017. Birmingham members and officers gave evidence to this review, and good practice from Birmingham was cited in the report (notably scrutiny reports being discussed and agreed by the main City Council meeting, together with good examples of proactive work to help set the policy agenda).

4. The Role of Scrutiny

The role of scrutiny in the governance of the council has three broad strands:

- a) *Holding to account*: the challenging of decisions is a key role and is the key role of the call-in function. Call-in should not be seen as a failure but as a legitimate means of challenging decisions – a view shared by the party leaders. Any cabinet member and officer who have taken a decision should be prepared to debate and defend that decision in public. The review group looked at the guidance on call-in and has set out proposed clarifications in Appendix 1 (see *Recommendations* below).

There are other means of holding to account, including through Cabinet Member attendance at scrutiny meetings (which has taken the place of the Cabinet Member reports to City Council) and it should also be remembered

that scrutiny has statutory powers to hold some partners to account, notably local health bodies.

- b) *In-depth scrutiny and contribution to policy development*: to properly add value scrutiny must get into the detail of issues. This includes both looking back – addressing where things have gone wrong and understanding the reasons – and looking forward, through contribution to policy development. In the CfPS workshops held in 2016, there was general agreement that scrutiny could add most value by active involvement in policy development. The CLG Select Committee also noted the benefits of what is sometimes called “pre-decision scrutiny”: “By commenting on and contributing to a decision before it has been made, scrutiny committees are able to offer executives the benefit of their ability to focus on an issue in greater depth over a longer period of time.”

Again, this work need not focus exclusively on the work of the City Council; whilst legislation gives some powers to require defined partner organisations to have regard to recommendations and to share information, scrutiny can look at any matters which affect the authority's area or the inhabitants of that area.

- c) *Oversight of performance and finance*: committees should be looking at performance indicators and finance information and have the ability to drill down where there are areas of poor performance. Not having that facility can contribute to serious service failure. The CLG Select Committee report cited the example of the Francis Report (published in 2013 following failings at the Mid Staffordshire NHS Trust): “whilst the failings were not attributed to local committees, the report was critical of local authority health scrutiny, highlighting a lack of understanding and grip on local healthcare issues by the members, little real interrogation and an over-willingness to accept explanations.”

Underpinning each of these roles is the acceptance that scrutiny is an integral part of the governance of the city and should be systematically engaged at the earliest possible stage. There are plenty of good examples to demonstrate the value of this, for example the work undertaken in scrutiny to support the development of policy around the localisation of council tax in 2012; a complex matter that nevertheless has stood the test of time.

Scrutiny can be seen both as a safety net and as a means to drill down and better understand the council's and partners' performance and the wider service delivery.

Reports to City Council

Scrutiny reports to City Council were discussed and members of the review group were clear that producing reports for City Council was not scrutiny's only role. As

noted above, the work undertaken in committee meetings also plays a critical role in the health of the organisation.

However, it is recognised that reporting to City Council is a key line of accountability and one area where Birmingham is ahead in terms of good practice. The Select Committee report recommends that “overview and scrutiny committees should report to an authority’s Full Council meeting rather than to the executive, mirroring the relationship between Select Committees and Parliament”, as many local authority scrutiny committees do not do this.

Members also recognised that reports to City Council could also be better used to inform members of the wider work that scrutiny undertakes. A report to City Council in April 2016 introduced some new approaches, including the presentation of short reports summarising work undertaken in committee meetings with a motion or suggested actions; these could include more contentious issues, areas where policy is not yet resolved, or other matters of high political priority, and act as a way of prompting wider policy debate in the chamber. Examples of this approach include the debate on the NHS Sustainability and Transformation Plan in December 2016 and the Maximising Jobs and Skills report in February 2017.

With regards to inquiry style reports to City Council, there have been a number of examples of disagreements between the Executive and Scrutiny on the content or timing of recommendations. The “8 day rule” process should be amended to allow, where necessary, a meeting of the relevant Cabinet Member and scrutiny members to discuss areas of difference; and for scrutiny committees to have the option to outline proposed outcomes and work with the Executive over a longer time period as to how these outcomes could be achieved (see *Recommendations* below).

Reports or letters from scrutiny that are not taken to City Council should be published on the website and sent to all Councillors, together with the Executive response.

In Birmingham, an Annual Report is submitted to the City Council meeting, detailing the work completed in the previous year and plans for the current municipal year. This could also be reviewed, with lead scrutiny members (cross-party) reporting their views on scrutiny and areas requiring improvement as part of the report (see *Recommendations* below).

Given these changes, we believe that a further review of the operation and functions of the full City Council meeting would also be timely.

Measures of success for scrutiny

There was some discussion of what success for scrutiny would look like. Given the political nature of the process, determining performance indicators for scrutiny has proved difficult for local authorities across the country. However, it is crucial that

scrutiny can demonstrate a positive impact. Consideration also needs to be given to the “feedback loop” of scrutiny work back to the Executive. Recommendations are routinely “tracked” for implementation but there’s little consideration of impact or outcomes, and there are examples where scrutiny work has not been heeded, only for similar issues to arise later.

There is a need for a more outcome-focused approach, which would entail scrutiny reports being clearer about what the recommendations are expected to achieve and the Executive reporting back on what has changed, as well as implementation of specific recommendations. A more flexible approach would help to provide better evidence about the impact of scrutiny (see *Recommendations* below). Scrutiny should work with CfPS and/or Inlogov to define useful measures of success. Working with other local authority scrutiny committees on this area would also be beneficial.

5. Relationship with the Executive: Parity of Esteem

The CLG Select Committee report was concerned with the overall relationship between local authority scrutiny and executive members, and notes that “there is no parity of esteem between the scrutiny and executive functions”. This is especially important given that scrutiny was originally introduced as “a counterweight to the increased centralised power of the new executive arrangements”.

These concerns are reflected in Birmingham, where scrutiny members do not always feel that scrutiny is given sufficient weight or access to enable them to carry out the role effectively. In practice, this is about:

- a) *Transparency of work programmes and decisions*: Key decisions (i.e. those that go to Cabinet) are set out in the Forward Plan; however forthcoming Cabinet Member/Chief Officer decisions are not shared in advance, and decisions delegated to officers are rarely published at all. For scrutiny members to be able to contribute effectively, advance notice is needed. Similarly, for policy development, there is currently no way of tracking the development of a policy to enable scrutiny to timetable appropriate involvement. Overall, there is a lack of transparency of Cabinet Member work programmes/decision schedules, and variation in how Cabinet Members and Scrutiny Chairs work together to identify useful pieces of work for scrutiny to undertake (see *Recommendations* below).
- b) *Information sharing*: scrutiny members do not always have access to the information they need to scrutinise areas properly. This can be about timeliness of information (there is often a reluctance to share early information with scrutiny members); or about reduced resources to provide the information; or a lack of understanding of what information members are entitled to.

The Select Committee is clear that “councillors working on scrutiny committees should have access to financial and performance data held by an authority, and that this access should not be restricted for reasons of commercial sensitivity”. They support the CfPS proposal that committees must be able to ‘*follow the council pound*’ and have the power to oversee all taxpayer-funded services.” This includes scrutiny involvement “at a time when contracts are still being developed, so that all parties understand that the service will still have democratic oversight despite being delivered by a commercial entity”.

Practically, consideration needs to be given to the systems in place and how councillors can be given access to information via on-line systems (an area scrutiny could consider in the coming year – see *Recommendations* below). But this is also about building a culture of mutual respect and trust that facilitates the sharing of sensitive information.

- c) *Attendance at Scrutiny Committee meetings*: officers and Cabinet Members should have to attend and give evidence. The Select Committee report says: “There should be a greater parity of esteem between scrutiny and the executive, and committees should have the same access to the expertise and time of senior officers and the chief executive as their cabinet counterparts”.

However, it should be made clear that officers should not be asked political questions and Cabinet Members should attend to represent policy decisions. Equally, Cabinet Members should not be expected to have all the operational detail, and those questions are properly directed to officers.

To address these issues, the review group recommends that early in the new municipal year, a new Executive / Scrutiny protocol is drawn up. There should also be a trigger mechanism, written into the Constitution, whereby scrutiny can escalate matters where they feel they are being blocked or held up by the Executive or officers (see *Recommendations* below).

Furthermore, the officer and Cabinet Member requirements regarding attendance should also be included in the Executive / Scrutiny protocol. Whilst there was consensus that scrutiny committees should continue to determine their own work programme, it would also be beneficial to work more closely with the Executive. Early involvement of Cabinet Members in work programme development would assist this, with Cabinet Members and Scrutiny Chairs meeting at the start of the Municipal Year to discuss key and emerging policy issues (see *Recommendations* below).

6. How could/should committees and appointments work differently post-election

Members considered the numbers and remits of Scrutiny Committees, and also membership and the political allocation of Scrutiny Chairs.

With regards to numbers and remits: there was a clear view in favour of increasing the number of Scrutiny Committees. Members agreed that the reduction in the number of scrutiny committees in 2015 had not worked as Committees have struggled to cover the full extent of the work required of them and as a consequence have had a reduced focus on some key issues. The evidence collected suggests there should be at least eight Overview and Scrutiny Committees, although arguments can be made for additional committees. However, consideration should be given to the equitable distribution of workloads amongst committees and the likelihood of resources being available to support these for the next four years.

Health Scrutiny

The workload of the Health and Social Care Overview and Scrutiny Committee (HOSC) has always been a challenge due in part to the statutory nature of the duties placed on the health scrutiny function in relation to scrutinising the planning, provision and operation of local health services in the area and the requirement for consultation where proposals are being considered for a substantial development or variation of health services in an area. Due to the volume and speed of changes happening in the health service currently, the number and range of issues that need to be dealt with through either the main Birmingham HOSC or one of the Joint health scrutiny committees with Solihull and Sandwell, is steadily increasing.

Already, since the beginning of 2018, there have been three health scrutiny meetings in January, the main Birmingham HOSC, a Solihull joint HOSC and a Sandwell joint HOSC. There are currently already three meetings scheduled for March and it can be anticipated that this will be the future pattern of meetings for the foreseeable future.

There are major and controversial changes already happening on the Sandwell side including proposed changes to a range of oncology services, the high-profile impact of the Carillion administration on the completion of the Midland Metropolitan Hospital and proposed changes to GP contracts and the future of walk-in centre services. Similarly, the Solihull Joint HOSC is dealing with major issues such as the merger of the three Clinical Commissioning Groups and transition to one organisation and also the merger of two large hospital trusts, University Hospitals Birmingham NHS Foundation Trust and Heart of England NHS Foundation Trust - both of which are generating significant concerns which will require the continued involvement of the scrutiny committees.

This is exacerbated by the volume of changes and reorganisations already being implemented in Sandwell and West Birmingham as a result of the Black Country STP and this will be happening increasingly across Birmingham as more of the changes planned to take place under the auspices of the Birmingham and Solihull STP begin to be implemented.

The number and remit of scrutiny committees is a matter for the Executive to determine following the May elections and the review group does not want to fetter that discretion. Nonetheless, the review group believes that any approach should adopt the following:

- a) A lead scrutiny committee should be created, responsible for oversight of the work programme and overseeing the scrutiny function alongside its substantive remit. The membership of this Committee should include all the Scrutiny Chairs and the Chair of the Committee would be the Lead Scrutiny Member. This would give a clear cross-party steer to the scrutiny work programme as a whole and facilitate transparent prioritisation of scrutiny work.
- b) An O&S Committee or Sub-Committee with a clear remit for finance should form part of the new arrangements, whether that be a Finance Committee or Sub-Committee or a major part of the lead scrutiny committee's remit.
- c) The health and social care responsibilities and statutory duties are onerous and sufficient for one committee (an outline of current workloads is set out above). Therefore, the Health and Social Care O&S Committee should have no other areas of responsibility.
- d) Any future changes to scrutiny remits should be agreed with the lead scrutiny committee, to ensure a full appreciation of the impact of the changes proposed and an equitable balance of workloads across committees;
- e) To maintain stability in committee remits over the municipal years; recent years have seen almost annual changes which have had an impact on the timescales of work produced (see *Recommendations* below).

Scrutiny Chairs and Membership

The allocation of Scrutiny Chairs was discussed, in light of recommendations from the CLG Select Committee report, which states: "It is vital that the role of scrutiny chair is respected and viewed by all as being a key part of the decision-making process, rather than as a form of political patronage". They believe there is "great merit in exploring ways of enhancing the independence and legitimacy of scrutiny chairs such as a secret ballot of non-executive councillors"; though they accept it is for individual authorities to determine this. They do recommend that "DCLG works with the LGA and CfPS to identify willing councils to take part in a pilot scheme where the impact of elected chairs on scrutiny's effectiveness can be monitored and its merits considered".

The allocation of Scrutiny Chair roles is a political decision, and since scrutiny's inception, Birmingham has tended to allocate these to members of the controlling group or groups, with the exception of the 2003-4 municipal year, when they were shared on a cross-party basis. However, the review group was of the view that these

posts should now be allocated on a proportionate basis, in line with national best practice (see *Recommendations* below).

Deputy Chairs should continue to be elected by the Committee, as introduced in 2015. If the current system is retained, then the option of electing deputy chairs from opposition parties could be considered (as already happens in some committees).

Similarly, the four-year election cycle is also an opportunity to have more stability of membership on scrutiny committees. There is a need to balance those members who are “experts” in that area and those who would bring a fresh perspective. Attendance at meetings has also been a concern in the last year and needs to be addressed (see *Recommendations* below).

Member Training

Member training in relation to scrutiny also needs consideration. The Select Committee states that “It is incumbent upon councils to ensure that scrutiny members have enough prior subject knowledge to prevent meetings becoming information exchanges at the expense of thorough scrutiny. Listening and questioning skills are essential, as well as the capacity to constructively critique the executive rather than following party lines”.

Member training should include codes of behaviour in scrutiny committees, questioning skills and chairing skills.

Scrutiny Bulletin

In addition, to ensure that all members of the council are aware of scrutiny’s work programme, a monthly bulletin should be sent to all members.

7. Resources and Officer Support

The Select Committee notes the diminution of scrutiny resources across the country. However, “it is imperative that scrutiny committees have access to independent and impartial policy advice that is as free from executive influence as possible”.

However, it is not just about scrutiny support, but also senior officer support: “Decisions relating to the resourcing of scrutiny often reflect the profile that the function has within an authority ... [however].... if there is a culture within the council of directors not valuing scrutiny, then focussing on staff numbers will not have an impact.”

The review group acknowledged that should the number of scrutiny committees be increased, the overall resource implications for scrutiny would need to be considered

and should match both the number of committees and the role expected of scrutiny (see *Recommendations* below).

With regards to access to advice, it is also suggested that scrutiny builds relationships with local universities and businesses, to access wider sources of information.

To further support Scrutiny Chairs and committees, thought needs to be given to ensuring links between scrutiny and directorates (as well as with Cabinet Members), either through the creation of link officers for each committee, or other links on a themed basis, to support the work programmes.

8. Conclusion

Throughout the range of issues covered in this review, the underpinning theme is that of the culture of the City Council and its openness to challenge. The Select Committee came to the same conclusion, stating:

“We have found that the most significant factor in determining whether or not scrutiny committees are effective is the organisational culture of a particular council. Having a positive culture where it is universally recognised that scrutiny can play a productive part in the decision-making process is vital and such an approach is common in all of the examples of effective scrutiny that we identified. Senior councillors from both the administration and the opposition, and senior council officers, have a responsibility to set the tone and create an environment that welcomes constructive challenge and democratic accountability. When this does not happen and individuals seek to marginalise scrutiny, there is a risk of damaging the council’s reputation, and missing opportunities to use scrutiny to improve service outcomes. In extreme cases, ineffective scrutiny can contribute to severe service failures.”

Ultimately the success, or otherwise, of scrutiny is the success, or otherwise, of the City Council as a whole. In fostering a culture where challenge is valued rather than seen as a threat, where leadership in democracy and accountability is prized, scrutiny is at its most effective and the whole organisation thrives.

Recommendations

1. That Executive and Scrutiny Chairs work together to:
 - a) Agree a new Executive / Scrutiny protocol to guide new ways of working. This should include guidance on officer and Cabinet Member attendance at scrutiny meetings, and should make clear that officers should not be asked political questions and Cabinet Members should attend to present policy decisions.
 - b) Facilitate early involvement of Cabinet Members in work programme development through an early meeting of Cabinet Members and Scrutiny Chairs at the start of the municipal year (see section 5, page 6).
 - c) Put in place member training for scrutiny as part of the member development programme, to include codes of behaviour in scrutiny committees, questioning skills and chairing skills (section 6, page 9). An understanding of the role and powers of scrutiny and background should also be part of any training, including training for the Executive.
 - d) Ensure effective links between scrutiny and directorates (as well as with Cabinet Members), either through the creation of link officers for each committee, or other links on a themed basis, to support the work programmes.
2. That the Executive should, in the new municipal year, bring forward proposals for the following (or if not, a report to scrutiny explaining why):
 - a) Increasing the number of scrutiny committees, reflecting the view of the sub-group, to increase the capacity of scrutiny to undertake more in-depth work.
 - b) Creating a lead scrutiny committee, responsible for oversight of the work programme and overseeing the scrutiny function as well as its substantive remit. The membership should include all the Scrutiny Chairs and the chair of the committee would be the Lead Scrutiny Member.
 - c) Having an O&S Committee or Sub-Committee, with a clear remit for finance, whether that be a single Finance Committee or Sub-Committee or a major part of the Co-ordinating O&S Committee's remit.
 - d) Having a Health and Social Care O&S Committee with no other areas of responsibility;
 - e) Any future changes to scrutiny remits should be agreed with the lead scrutiny committee, to ensure a full appreciation of the impact of the changes proposed and an equitable balance of workloads across committees.
 - f) Maintaining stability in committee remits over the municipal years (see section 6, page 8);

- g) Appointing Scrutiny Chairs on a proportionate basis (see section 6, page 9);
 - h) Ensuring that resources for scrutiny match both the number of committees and the role expected of scrutiny (see section 7, page 9).
 - i) Publishing a forward plan of non-key decisions (or share these with members); and developing a mechanism for publishing or sharing stages of policy development (such as the House of Commons' bill tracker).
3. That Scrutiny in 2018/19 bring forward proposals to:
- a) Amend the "8 day rule" process to allow, where necessary, a meeting of the Cabinet Member and scrutiny members to discuss areas of difference; and for scrutiny committees to have the option to outline proposed outcomes and work with the Executive over a longer time period as to how these outcomes could be achieved (see section 4, page 4);
 - b) Revise the Annual Report to the City Council meeting, to include lead scrutiny members (cross-party) reporting their views on scrutiny and areas requiring improvement as part of the report (see section 4, page 4);
 - c) Implement a revised method for monitoring the impact of scrutiny, beyond the tracking of the implementation of recommendations (see section 4, page 4);
 - d) Undertake a review of the systems and support available to members to enable the effective and efficient sharing of information (see section 5, page 5);
 - e) Undertake a review of the City Council meeting, including roles, functions and operation;
4. That Council Business Management Committee bring forward amendments to the Constitution (and associated guidance) to:
- a) Amend the procedure for call-in, as set out in Appendix 1 (page 13);
 - b) Introduce a trigger mechanism whereby scrutiny can escalate matters where they feel they are being blocked or held up by Executive or officers (see section 5, page 6);
5. That the party groups try to ensure some stability of scrutiny committee membership across municipal years, and encourage attendance at meetings.

Appendix 1: Proposed Alterations to Call-in Process

A number of issues regarding call-in have been raised in the last couple of years with regards to call-in. In addition, officers have conducted a review of the call-in process in recent months.

Members of the review group considered these and propose that the following clarifications are made to the Call-In procedure note:

1. That, whilst decisions “to note” should not be subject to call-in (as there is no substantive decision for Cabinet to reconsider), the substance of what is being noted can be called to the next scrutiny meeting and the Cabinet Member will be expected to attend the next relevant scrutiny meeting to explain/give further details on the decision/policy.
2. The convention that Cabinet Member, officers and members who are not members of the committee leave the room whilst committee members deliberate (i.e. after the presentations and question and answer part of the Call-In meeting) is retained, even though livestreaming of the meeting will continue.
3. If a lead scrutiny committee or similar is reinstated (see Recommendation 2 above), then where there is uncertainty or dispute about which is the relevant Overview and Scrutiny Committee for a call-in, that decision could lie with the Chair of that committee

It was suggested that the review group consider the reasons for call-in, listed in the Constitution¹, as these are very broad. The review group considered this and agreed that there were no real issues with the reasons set out in the Constitution; however, clearer guidance and more training for officers would be beneficial.

¹ Note: the reasons for call-in are not specified in legislation; these are a matter of local discretion.

Review of Scrutiny – summary of recommendations

Recommendation	Responsibility	Status
1. That Executive and Scrutiny Chairs work together to:		
a) Agree a new Executive / Scrutiny protocol to guide new ways of working. This should include guidance on officer and Cabinet Member attendance at scrutiny meetings, and should make clear that officers should not be asked political questions and Cabinet Members should attend to present policy decisions.	Executive / Scrutiny	COMPLETED Agreed by Cabinet and Scrutiny Chairs w/c 9 th July
b) Facilitate early involvement of Cabinet Members in work programme development through an early meeting of Cabinet Members and Scrutiny Chairs at the start of the municipal year (see section 5, page 6).	Executive / Scrutiny	COMPLETED Scrutiny Chairs agreed to meet on individual basis – meetings have been held
c) Put in place member training for scrutiny as part of the member development programme, to include codes of behaviour in scrutiny committees, questioning skills and chairing skills (section 6, page 9). An understanding of the role and powers of scrutiny and background should also be part of any training, including training for the Executive.	Scrutiny	Informal briefings for new members offered June/July 2018 Questioning skills with LGA to be arranged Chairing skills course offered to new chairs and deputy chairs
d) Ensure effective links between scrutiny and directorates (as well as with Cabinet Members), either through the creation of link officers for each committee, or other links on a themed basis, to support the work programmes.	Scrutiny	Autumn 2018
2. That the Executive should, in the new municipal year, bring forward proposals for the following (or if not, a report to scrutiny explaining why not):		
a) Increasing the number of scrutiny committees, reflecting the view of the sub-group, to increase the capacity of scrutiny to undertake more in-depth work.	City Council	COMPLETED – agreed 22 nd May 2018
b) Creating a lead scrutiny committee, responsible for oversight of the work programme and overseeing the scrutiny function as well as its substantive remit. The membership should include all the Scrutiny Chairs and the chair of	City Council	COMPLETED – agreed 22 nd May 2018

Recommendation	Responsibility	Status
the committee would be the Lead Scrutiny Member.		
c) Having an O&S Committee or Sub-Committee, with a clear remit for finance, whether that be a single Finance Committee or Sub-Committee or a major part of the Co-ordinating O&S Committee's remit.	City Council	COMPLETED – agreed 22 nd May 2018
d) Having a Health and Social Care O&S Committee with no other areas of responsibility;	City Council	COMPLETED – agreed 22 nd May 2018
e) Any future changes to scrutiny remits should be agreed with the lead scrutiny committee, to ensure a full appreciation of the impact of the changes proposed and an equitable balance of workloads across committees.	City Council	April / May 2019
f) Maintaining stability in committee remits over the municipal years (see section 6, page 8);	City Council	April / May 2019
g) Appointing Scrutiny Chairs on a proportionate basis (see section 6, page 9);	City Council	Report from the Leader explaining why this has not been implemented – July 2018
h) Ensuring that resources for scrutiny match both the number of committees and the role expected of scrutiny (see section 7, page 9).	Leader	Under review
i) Publishing a forward plan of non-key decisions (or share these with members); and developing a mechanism for publishing or sharing stages of policy development (such as the House of Commons' bill tracker).	Head of Scrutiny with Cabinet Office	Autumn 2018
3. That Scrutiny in 2018/19 bring forward proposals to:		
a) Amend the "8 day rule" process to allow, where necessary, a meeting of the Cabinet Member and scrutiny members to discuss areas of difference; and for scrutiny committees to have the option to outline proposed outcomes and work with the Executive over a longer time period as to how these outcomes could be achieved (see section 4, page 4);	Scrutiny	Autumn 2018
b) Revise the Annual Report to the City Council meeting, to include lead scrutiny members (cross-party) reporting their views on scrutiny and areas requiring improvement as part of the report (see section 4, page 4);	Scrutiny	Annual report submitted 10 th July 2018 – to be further reviewed for 2019
c) Implement a revised method for monitoring the impact of scrutiny, beyond the	Scrutiny	2018/19

Recommendation	Responsibility	Status
tracking of the implementation of recommendations (see section 4, page 4);		
d) Undertake a review of the systems and support available to members to enable the effective and efficient sharing of information (see section 5, page 5);		2018/19
e) Undertake a review of the City Council meeting, including roles, functions and operation;	Co-ordinating O&S	To be agreed
4. That Council Business Management Committee bring forward amendments to the Constitution (and associated guidance) to:		
a) Amend the procedure for call-in, as set out in Appendix 1 (page 13);	Head of Scrutiny with City Solicitor	Autumn 2018
b) Introduce a trigger mechanism whereby scrutiny can escalate matters where they feel they are being blocked or held up by Executive or officers (see section 5, page 6)	Head of Scrutiny with City Solicitor	Autumn 2018
5. That the party groups try to ensure some stability of scrutiny committee membership across municipal years, and encourage attendance at meetings.	Party groups	May 2019

**CO-ORDINATING
OVERVIEW AND SCRUTINY COMMITTEE
27 JULY 2018**

**REPORT OF THE LEADER
COUNCILLOR IAN WARD**

1. BACKGROUND

At the meeting of Council Business Management Committee in November 2017, a cross party sub-group was established to undertake a review of Overview and Scrutiny to be presented to City Council for a political decision.

This group was established to ensure that Scrutiny is successful in providing constructive challenge and help drive improvement across the Council and its services. The recommendations of this group were set out in the report – Review of Scrutiny and these were to be presented to City Council on 13th March 2018. (The full report is attached for reference.)

As Leader of the Council, I welcomed this report and would like to reiterate my thanks to all those who took part in this full and frank review.

Since the report was discussed at City Council in March, there has been excellent progress on the majority of the recommendations in the review and I have attached a table outlining the progress so far.

2. PURPOSE OF THIS REPORT

On 13th March 2018, the report of the Cross-Party Scrutiny Group - Review of Scrutiny was presented to City Council.

At this Council meeting a motion was passed to endorse the recommendations set out in pages 11-12 of the report.

Under Section 2 on page 10 of the report, before the individual recommendations are listed, it states:

- **That the Executive should, in the new municipal year, bring forward proposals for the following (or if not, a report to scrutiny explaining why)**

Proposals for all recommendations are in progress except for Recommendation 2(g)

- **Appointing Scrutiny Chairs on a proportionate basis (see section 6, page 9)**

As stated in the Scrutiny Review report to Council, the allocation of Scrutiny Chair roles is a political decision and as such the report and recommendations were discussed at a Labour Group meeting in March 2018, prior to the Council meeting on 13th March.

Labour Group welcomed the work of the cross party group and all of the recommendations were considered. All recommendations were agreed with the exception of 2(g) - Appointing Scrutiny Chairs on a proportionate basis.

As a result of this political decision, proposals to implement recommendation 2(g) have not been brought forward in the new municipal year and therefore it was agreed with Labour Group that I would notify the appropriate Overview and Scrutiny Committee of this decision. Therefore, this report has been prepared to be presented to the first applicable Co-ordinating Overview and Scrutiny Committee.

It also stated in the Scrutiny Review that if the current system is retained, then the option of electing deputy chairs from opposition parties could be considered. This option was considered and agreed by the Labour Group and offered to the opposition parties. I repeated this offer at City Council AGM in May 2018, but to date, this offer has not been taken up. The offer remains on the table and I remain willing to discuss with the opposition parties how we might reach an agreement for this offer to be taken up.

I would like to reiterate the excellent progress on the majority of the recommendations in the report and again thank all those involved in reviewing this important function.

Councillor Ian Ward

Leader

Birmingham City Council