

Report from: Cllr John Clancy, Leader of the Council

Date: 19 January 2016

Report to: Corporate Resources Overview & Scrutiny Committee

Key Priorities for 2016

1. SUMMARY

1.1. This report gives an overview of my key priorities for the year ahead as a background for the meeting on 19 January.

1.2. In summary these are:

Early priorities

- Setting a realistic budget and planning framework for the next four years
- Starting to deliver on partnership working
- Successfully concluding the work of the Independent Improvement Panel
- Keeping the Children's and Education Improvement Plans on track
- Establishing the combined authority and agreeing with government an implementation plan for the devolution deal.

Setting the longer term agenda

- Housing
- A focus on investment and assets
- A City for Young People, Learning and Skills
- Transforming public transport and reducing congestion
- The Future Council vision for 2020: making it real, including the combined authority and a radical new approach to devolution, culture change and transforming our approach to IT.

2. EARLY PRIORITIES

2.1. Initially I am focused on a small number of urgent and critical issues for the future of the City Council, taking forward work over the previous year and ensuring stability in the organisation. Getting these things right will lay the foundations for future progress.

2.2. **Keeping the Children's and Education Improvement Plans on track.** This remains our number one priority. The improvement plans are well progressed and delivering

improvement. It is essential that leadership support and our relationships with the commissioners and the Department for Education are maintained and these plans are seen through to their conclusion. But we also need to ensure that the improvement plans are part of a longer term vision for these services within the overall Future Council agenda. As mentioned in the 2020 vision paper, we intend to develop a sustainable model of effective children and young people services for the long term, underpinned by that vision to create a “city for children and young people”.

- 2.3. **Successfully concluding the work of the Independent Improvement Panel.** It is essential that we convince the Panel and the Secretary of State that we are firmly on the improvement track and can lead the process ourselves from now on. To achieve our aims we must restore independence and pride to our municipal governance, for example through our devolution deal. To do that, we must be free of government intervention and in charge of our own destiny.
- 2.4. **Starting to deliver on partnership working.** There are many excellent examples of partnerships between the City Council and others that are delivering services and projects. But at a corporate level, our weakness in this area is one of the most important shortcomings identified by Kerslake. I have said that my mantra will be “**leading the city, not running the city**” and this goes to the heart of how we need to change our approach to partnerships. But as well as changing the messages and our attitudes we now need to back up words with actions and put in place effective new partnership arrangements. Over the last month I have focused on getting out of the Council House and meeting a wide variety of people, to begin establishing positive working relationships.
- 2.5. **Setting a realistic budget and planning framework for the next four years.** This is absolutely essential to give us the security to move forward with confidence and the credibility to deliver on improvement. The funding settlement for later years is better than we feared. We should be pleased that work by Birmingham over the last two years has helped persuade the government to make the distribution of cuts fairer (though of course we would have been better off by tens of millions per year if this had been done earlier).
- 2.6. But if we lose our discipline on implementing the plans to be set out in March then we will not gain from that. I want an even stronger focus on achieving all the savings we have already identified, and on getting savings from our large contracts to give us the maximum freedom of movement in later years. Whilst 2016-17 will be an extremely difficult year, it is vital that we have some hope for the future and work towards it with a positive outlook. The council will continue to be an important anchor institution in the city and business rate retention and devolution have the potential to give us more flexibility in the future. Through the Future Council we will rebuild our resources and establish new roles for local government.
- 2.7. **Establishing the combined authority and agreeing with government an implementation plan for the devolution deal.** I have been impressed with the team working and commitment that has been developed between the CA member councils over the last year. We must continue to work closely together through the next vital stages as we establish the Combined Authority in the summer and begin to implement

our devolution deal – making sure that work leads to permanent benefits. The next steps are the agreement of our devolution deal implementation plan with government by the end of February and seeing through the process for setting up the CA.

3. SETTING THE LONGER TERM AGENDA

- 3.1.** The agenda I want to get moving over the next year is in two parts: priorities for the city and creating the Future Council. We must pursue both together, ensuring that we create a City Council fit for 2020 at the same time as we take forward the priority initiatives that matter to the people of Birmingham – all within our mission to create a fairer, more prosperous and more democratic city. These are my personal priorities but I know they are widely shared and I intend to work across the City Council and the city to develop them further in the year ahead so that they reflect what matters most to the people of Birmingham. For example, they include the challenges highlighted by the Birmingham Mail in December.

A - Priorities for the city

- 3.2. Decent homes.** We are about to launch our programme to develop a Comprehensive Housing Offer for the city. I want this to provide fresh thinking across the whole range of housing activity, from housing management and advice to private rental to homelessness and the provision of new housing. We will seek to work with the government on the delivery of new private homes and unlocking brownfield sites across the West Midlands. But we also need to improve our offer to our own tenants and to provide more new council homes for rent.
- 3.3. A focus on investment and assets.** The future of local government will be based on how we use our own assets and support economic growth and growth comes from investment. We need to shift our focus away from revenue budgets and grant funding towards a more innovative and enterprising use of resources, seeing the city as a set of assets, not just a collection of needs. In particular this means working with the Combined Authority and at a more local level to develop new ways to invest in people and communities across the city. This will include developing the Brummie Bonds policy and exploring ways to use the WM Pension Fund to support the Strategic Economic Plan.
- 3.4. A City for Young People, Learning and Skills.** Building on the work already undertaken by Cllrs Jones and Holbrook, we will continue to renew our focus on the “young city” and our offer to children and young people. We will see through the improvement plans for education and for child protection, but our ambitions must go beyond simply being good enough to giving every child the opportunity to make the most of their abilities, regardless of their start in life. We need to develop a joined up approach to family support, learning, skills and employment, embedded in the community and the home. We will begin a campaign to give all our children a daily hot meal and make Birmingham a Free School Meal city – not using council resources but through business sponsorship and new forms of investment: social enterprise, social impact bonds and partnerships.

3.5. **Transforming public transport and reducing congestion.** Transport is a vital part of our investment plans and those of the Combined Authority as a whole because it enables businesses to connect to markets and skills and people to connect to jobs. In the short term I am looking at ensuring that difficulties caused by the current road works and other developments are managed in the best way, reducing the inevitable disruption to a minimum. But the real solutions will be longer term. We have suffered from long term under investment in the public transport infrastructure that can give real alternatives to the car. I will work with the CA on congestion planning across the city region, using the new powers in the devolution deal and working with the government on the challenges of the motorway network. The long term vision for Birmingham Connected needs to be integrated with a CA plan for the whole metro area and we will use new powers and funding to plan investments over an initial ten year period. The HS2 Growth Strategy is absolutely central to that vision because we need to make sure we get the maximum benefit from the investment by regenerating the areas around the new stations and by connecting HS2 to the whole region. Will need more funding than the devolution deal provides, so we need to develop innovative WM investment vehicles.

B - The Future Council vision for 2020: making it real

3.6. A lot of hard work has been done over the last eighteen months to establish the Future Council programme, implement improvements demanded by the Kerslake report and set an outline vision for the council in 2020. The broad thrust of the existing vision paper will be taken forward, but we need to develop the detail much further in the months ahead and build on the cross-party discussion that has now been taking place so that the vision is honest, tangible and meaningful to the people of Birmingham.

3.7. This will involve important developments at all three levels of the Triple Devolution Model:

- 2016 will be a big year for the Combined Authority, the devolution deal and the Super SEP across the three LEPs which will begin to set out an economic strategy. We also need to take forward the Midlands Engine initiative, launched with government in December to focus on connectivity across the regions and agglomeration benefits in key economic sectors. There will be further devolution deals ahead and exciting developments on public service reform across the CA, in support to “troubled individuals”, mental health, youth justice and skills and employment. I will be putting forward my ideas for a new approach to capital investment as the CA gets up and running
- At the city level we will see the continuing shift towards a more streamlined, strategic City Council. We need to make sure the organisation is re-designed so that it is fit for the purpose we give it, not the past. We will see further job losses and a decisive shift away from big service delivery departments to a different role that brings together delivery by a wide range of organisations around shared priorities and objectives. We will make more rapid progress towards an integrated health and social care system, with full integration by 2020. But we also need to link those services (and the reforms at WM level) to the

neighbourhood and the community – providing joined up access points for social support, health, housing, learning, skills and information.

- I will also be prioritising a radical new approach to devolution within the city. The focus will be on empowering people and giving them influence over local services, not on council structures and budgets. I want this to be a bottom up process, with new smaller wards (neighbourhoods) where councillors work with the community through open, inclusive meetings, neighbourhood management and an active civil society. There is the potential for a diversity of forms of governance in local areas, such as parish or neighbourhood councils. We may have to move on from the District model – wards across larger areas will collaborate and new forms of joined up, localised service delivery will emerge. I am looking at new Assistant Leader roles to lead this activity. Discussion will take place in the Labour Group and will be extended to the other groups. Only after that will more detailed policy be developed.

- 3.8. **Culture change.** This is the real core of the Kerslake analysis. We need to develop new roles and new styles of working and ensure that positions and rewards are based on ability and performance and nothing else. I want to see a culture of openness, and engagement - “leading the city, not running the city” – which promotes stronger individuals and communities, independence and opportunity. We need to restore the best of public service values – making a difference to people’s lives and supporting people and communities to achieve their own aims – combined with efficiency, accountability and openness. This must include everything from reforms to City Council meetings and less use of private agenda to a radical approach to Open Data that will empower citizens to make their own contribution to our decision making.
- 3.9. **Better commissioning and better value contracts.** The Future Council will be sharper and more commercially aware but also focused on Social Value and making better use of our social assets, such as voluntary organisations and social enterprises. We need to look at the whole of our commissioning process, not just individual contracts such as Service Birmingham, Amey and refuse collection, to ensure that we are spending public money in a way that promotes a diversity of smaller, local suppliers as well as our values of social responsibility.
- 3.10. **Transforming our approach to IT.** The Future Council will need to use IT in a radically different way, with a new vision for how technology will enable us to work more effectively. This vision will determine the IT support arrangements we adopt, not the other way round. 2020 IT will be cloud based, flexible, tailored to the individual user (staff, members and service users) and massively better value for money. This will include Open Data, support to the digital and creative businesses of the city (seeing our information as an economic enabler) and work with community based social media to open up decision making and policy debate. I want to begin work on a radical new strategy for IT as soon as possible, using the expertise of external advisors and the social media and digital community in the city.

4. OTHER BIG CHANGES I WANT TO SEE

- 4.1. **A powerful and positive new relationship with government.** We need to ensure that Birmingham and the West Midlands “punch our weight” in Whitehall and Westminster. I believe we need to do this in a more professional and comprehensive way, ensuring that we manage our relationships effectively and have a sharp focus on what we want to achieve for the city. A complete overhaul of our communications functions has started through the Future Council and “lobbying” and “stakeholder management” are a key part of that. We must build relationships of trust and respect with ministers and civil servants, both at member and officer level. We have respected expertise in many areas of local government and we need to make more of it, both to influence policy and to enhance our reputation as local government leader.
- 4.2. **A united Birmingham.** Neither intolerance nor fanatical extremism must have a place in our city and Birmingham has the people and the experience to help the nation as a whole to tackle these challenges, rather than being seen merely as a victim of them. We need to develop a Birmingham approach and Birmingham community leadership on these issues, not just work with the Government’s Prevent strategy. The council’s role is to lead by example and to promote inter-cultural relationships, working together to achieve shared ambitions and common benefits in our neighbourhoods. We must be seen as part of the community and a beacon of tolerance and democracy, not as standing aside or turning away from the challenges.

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