

Corporate Resources and Governance Overview and Scrutiny Committee

1st November 2017

Interim Leaders Update

SUMMARY

This report provides an update on key areas of my portfolio for the year ahead as background for the meeting on 1 November.

This report covers:

- Vision and priorities for the year ahead
- Service Birmingham
- Birmingham Independent Improvement Panel
- West Midlands Combined Authority
- Commonwealth Games
- The evolution of devolution

VISION AND PRIORITIES

Earlier this year Cabinet formally agreed the Vision and Priorities of the Council (2017 to 2020) together with the relevant performance measures.

I am ambitious and optimistic for the future but also realistic enough to know that we face significant challenges if we are to deliver on these priorities.

We have identified four key priorities:

- Children - a great city to grow up in
Make the best of our unique demography and create a safe and secure city for our children and young people to learn and grow.
- Housing - a great city to live in
Provide housing in a range of types and tenures, to meet the housing needs of all of the current and future citizens of the city.
- Jobs and Skills - a great city to succeed in
Birmingham will be renowned as an enterprising, innovative and green city.
- Health - a great city to grow old in
Helping people become healthier, especially relating to physical activity.

It is clear that the city council cannot deliver on these priorities by working in isolation. We will continue to strengthen our connections with partners and citizens and I will meet with partners early in 2018 to discuss a collaborative approach to our challenges and opportunities. We will also work with businesses and government to develop a shared longer-term vision to ensure this is a city of inclusive growth where the opportunities and benefits of progress and investment are felt by all.

BIRMINGHAM INDEPENDENT IMPROVEMENT PANEL

I continue to work with Birmingham Improvement Panel to achieve the best possible outcomes for Birmingham and its citizens. I look forward to further detailed discussions regarding the next stages of our improvement journey.

It is clear that the Panel expects the City Council as a whole to learn lessons from events this summer and for us be in a position to demonstrate that we have learned those lessons.

That is a reasonable expectation and I firmly believe we must build a constructive and proactive relationship with the Panel to move the council and the city forward. We must demonstrate that the changes needed, on the scale required, are understood and will be delivered.

It is not my intention to keep the Panel 'at arm's length'. I have worked with them from day one and, together with Cabinet members and senior officers, I will continue to engage with them on a regular basis.

SERVICE BIRMINGHAM

A Cabinet Report in June 2017 set out the following points:

"The ICT & Digital Strategy (2016 - 2021) sets out the future role and approach and was approved at Cabinet in October 2016. The strategy describes the need for investment and to transition to a new ICT Operating Model to enable the Council to deliver the savings associated with the service between 2017 and 2021. In January 2017 the Council formed the 'SB Transition' programme and initiated contract negotiations with Capita, with key objectives to:

- Save £10.02M revenue from the Core ICT Contract cost in 2017-2018 and deliver revenue savings totalling £43M in total across 4 years as set out in the Financial Plan 2017+
- Reach a negotiated position with Service Birmingham that:

Allows the Council moving forward to gradually take back full control of its ICT & Digital from Capita/Service Birmingham.

Allows the Council to deliver the ICT & Digital projects in a manner that represents value for money and meets the needs of the Directorates and the wider Council.

Gives the Council flexibility to deliver an ICT & Digital Service and future Operating Model that can flex as the wider Council transforms.

Gives the Council the right to go to the market as it selects solutions or implements new capability to test that it always getting real value for money.

Potentially allows the Council to select multiple suppliers, and in doing so avoid penalty charges.

Avoids extending the current contract for any further additional years.

- Since Cabinet approved the way forward on the 27th June, we have agreed a simpler deal structure that partitions the deal into two parts:

Part 1 – the selling of our shares in the JV

Part 2 – the transition itself

- Although the deal looks different the Council still achieves its 2017-18 savings target and has moved significantly towards its other objectives.
- We will agree revised governance arrangements for the Contract. Key points here are the continuation of the Strategic Partnership Board, which is member chaired, and the oversight of Link2ICT. It is a lot simpler overall for both organisations. The JV Board will disappear.
- Both parties will sign-up to a set of “Principles” to form Part 2 of the Deal.
- There are no other major legal or contractual blockers in terms of how we exit from the Joint Venture.

We now have a deal that will deliver the 2017-18 savings targets; the Council will not have to extend the current contract, we have revised and refreshed the Transition Programme Plan including the savings and investment that supports it and we have an agreement in principle to remove some of the contractual blockers.

WEST MIDLANDS COMBINED AUTHORITY

The CA has now been established for 15 months and a Mayor was elected in May this year. At that point, the Mayor became the chair of the CA and appointed Cllr Bob Sleight, Leader of Solihull as Deputy Mayor.

Since May the CA has been putting in place its executive board, including a permanent chief executive (Deborah Cadman) and directors of finance, housing and regeneration, public service reform, strategy and employment and skills. They have also been realigning the existing staff resource inherited from the ITA

The Leaders of the constituent local authorities retain their portfolio roles within the CA Board and the CA executive officers are putting in place arrangements to ensure close engagement of the leaders as well as the Mayor.

The Leaders of the constituent authorities held an away day with the Mayor on 20 October and this discussed working relationships and the priority issues on which we should work together.

Birmingham's approach has been to work enthusiastically with regional partners, including the Mayor where this can add value to our own work and better achieve our objectives. This is most obviously the case around transport and the economic growth agenda. Another good example has been the bid for the Commonwealth Games, which could not have been taken forward without regional collaboration. The move to relocate the HQ of Channel 4 and Coventry's bid for Capital of Culture status are other examples where collaboration may pay off.

Looking forward, the CA is also:

- Negotiating a second devolution deal, which is aimed at securing further resources and powers for the region. The Secretary of State for Business, Energy and Industrial Strategy announced on 24 July that a further deal would be negotiated with the WMs and this is currently being taken forward
- Developing a housing deal to accelerate the delivery of new homes in the region of all tenures, through additional investment in key housing growth areas. This is exploring new ways to fund housing development, partly based on the innovations of the Birmingham Municipal Housing Trust.
- As part of the housing deal a strategic level bid to the Housing Infrastructure Fund has been submitted, to add to the separate ("marginal viability") bids made by the individual local authorities, as required by the government. The CA worked closely with all the met councils to align our priorities and the Housing Infrastructure Fund bid includes funding to ensure the viability of the Commonwealth Games village development in Perry Barr.
- The CA is also taking forward collaborative work on homelessness, digital/smart city, cycling and walking and the management of travellers, all of which align with BCC priorities.
- The CA has established the new West Midlands Growth Company, developed from Marketing Birmingham to serve the whole CA.
- Proposals have been drawn up to merge the West Midlands Fire Service into the CA and discussions are also on-going about merging the functions of the Police and Crime Commissioner into the role of the Mayor, at the time of the next Mayoral election in 2020.
- The scrutiny committee, including several Birmingham councillors, is now well established and reviewing aspects of the work of the CA.

COMMONWEALTH GAMES

The Commonwealth Games Federation (CGF) recently extended the deadline for bids to stage the 2022 Games to the end of November. However, the Birmingham bid remains the only one that has been submitted and we remain confident that we have submitted a high quality, low risk bid that is

more than capable of delivering a world class Commonwealth Games. The Birmingham bid is going through the process set out by the CGF and we recently welcomed CGF Partnerships to the city.

A final announcement is scheduled for the end of November.

THE EVOLUTION OF DEVOLUTION

I retain an open mind regarding the future for local leadership in Birmingham and have asked the four Assistant Leaders to bring forward proposals, initially to the Labour group.