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The Rt Hon Robert Jenrick MP
Secretary of State for Housing, Communities and Local Government
2 Marsham Street
London
SW1P 4DF

SENT VIA EMAIL

Dear Secretary of State

Update on Birmingham City Council's New Model of Progressive Assurance

I am writing to provide an update on progress made with Birmingham City Council's innovative model of 'progressive assurance' that was designed to ensure a relentless and determined focus on improvement but under the Council's own direction. As part of the agreed commitments, this is the final of three formal update reports to be provided to you.

The model that was endorsed back in July 2019 has been formally embedded and the Strategic Programme Board (SPB) has continued to meet and discuss the priority areas of improvement for the Council over the last 12 months.

Since the last formal update, responding to the pandemic has been our priority, we have continued to keep the appointed Non-Executive Advisors (NEAs) appraised and taken advice throughout but as detailed below we have remained focused on our improvement journey.

Following the arrival of the new interim Chief Executive, the Cabinet and Council's Leadership Team have worked hard to develop a two-year Delivery Plan. The previous areas of challenge identified have received sufficient address in year by the Council, to enable any remaining issues to be folded into and dealt with as part of the Delivery Plan. There is real momentum about this agreed clarity of direction and

growing confidence within the Council's leadership which is echoed in the analysis provided by the NEAs after a year of working with the Council.

This letter and accompanying appendices have been shared transparently at Cabinet on the 21st July 2020. The Cabinet and CLT concur with the NEAs' conclusion and have approved, on the basis of that consensus position, to step down the NEA model as of July 2020.

The five specialist Non-Executive Advisors (NEAs) we have been working with, each with a specific focus area, are as follows:

- *Waste Management and Industrial Relations – Sean Hanson, CEO - Local Partnerships*
- *Financial Resilience – Rob Whiteman, CEO – Chartered Institute of Public Finance and Accounting (CIPFA)*
- *Risk Management – Max Caller, former Boundary Commission Chair and London Borough of Tower Hamlets Commissioner*
- *Vulnerable Adults and Children – Javed Khan, CEO – Barnardos*
- *Good Governance and Culture Change – Donna Hall, Chair – New Local Government Network*
- *Peer Support – Donna Hall*

Waste Management and Industrial Relations

Since our last update in March we have continued our service change programme and are making small but positive steps. Sean Hanson has been involved in ensuring that progress is being made.

Depot staff meetings have been held with the Cabinet Member and Assistant Director explaining directly to the workforce their aims and objectives, they also listened and responded to concerns and ideas.

There have been regular Trade Union meetings throughout the months and relationships have improved.

In April, during this period of change, lockdown was introduced, and the service needed to develop a response to COVID19. Although staff working in the waste sector were identified as key workers, the speed of the decision meant we were unsure how the workforce would respond. It has been fair to say the response from the staff has been very positive.

The service has had to make a number of changes to enable collections to continue. The staff and trade unions have been very responsive and supportive to the changes. The formal Memorandum of Understanding has been relaxed to enable crews to be put together and performance has improved with, on average, less than 10 roads outstanding of the 12500 that we collect from each week.

The residents have responded and reconnected with the service. As the consistency of delivery remained good the staff received positive messages and good wishes from all communities. Staff have been looking out for vulnerable residents too and even collected essential supplies for them.

The alternative models are currently being completed and will be discussed later this month. We have now received the independent review report, this will be presented to Cabinet in the Autumn which will provide options for the future collection arrangements.

Work on the waste disposal contracts is progressing and will be the focus of the next few weeks and we will be looking to Sean for some independent advice.

The Industrial Relations Unit has now been recruited to, with staff commencing in April and May during the lockdown. An Employee Relations Strategy is being drafted following feedback from trade unions, elected members and staff – this will set out the roadmap and actions for the next 12-18 months. Weekly corporate trade union meetings are taking place, including dedicated sessions on COVID19, workplace matters and culture change.

Financial Resilience

The Council is successfully delivering the Financial Improvement Plan with a dedicated team to support the implementation of the plan following the one-star rating from the CIPFA review, with a number of the improvements now transferred to Business as Usual. This is addressing the lack of accountability, structure and transparency through our budget planning and delivery processes. Some key examples being; the delivery of a balanced general ledger with recharges being moved to below the line to address transparency, CLT support of Accountability Letter to Directors to ensure full ownership of their budgets. Rob Whiteman's focus has been on helping the Council to shape and embed that integrated approach.

In terms of structure there is single leadership of the Finance Improvement Plan, ERP for Finance and the delivery of a Target Operating Model as one coordinated change programme. The Target Operating Model development is well underway and sets the End State Vision for Finance to become a high performing service in terms of People, Process and Systems underpinned by a high functioning culture.

The budget process itself has been strengthened with challenge on new and existing savings through Star Chambers. These require services to provide detailed savings implementation plans and remove undeliverable savings as well as the corresponding contingency. This will be continued throughout 2020/21 with RAG rated implementation plans being subject to review by Star Chambers. This has been reinforced by the deployment of forensic accountants into areas that need further deep dives due to recurrent overspends in 20/21 at the request of the Star Chambers. This approach will be deployed across any service area where there are overspend type issues across the organisation.

Future years budgets will be driven by an overall 2-year Delivery Plan with resources driven strategically by this plan. Concurrently over that period the medium-term strategic purpose of the Council will be worked up with programme planning to deliver which will strategically drive resourcing directly to outcomes over a medium-term time period. Medium term financial planning will be over a 10-year period for Revenue and a 25-year period for Capital.

In the immediate period comprehensive weekly reporting of the financial position with regard to the COVID19 Incident has been in progress from the start of the incident. These include expenditure, loss of income, impact on delivery of savings as well as fully costed financial risks with probability factors attached to these risks.

Risk Management

The Council's approach to and management of risk has taken a significant step forward with the development of a Strategic Risk Register based upon a full PESTLE analysis by CLT and a thorough challenge by Executive Management Team (comprising Cabinet and Chief Officers). This is supported by a Strategic Risk Management Strategy and strategic risks and opportunities are now fully embedded within the strengthened business planning process and budget process.

The Strategy and Risk Register have been presented to Audit Committee who have requested further information and training, both of which will now be available at the next Audit Committee in July 2020, now that virtual committee meetings are being held.

There is still work to be done on embedding proactive risk management processes and protocols into the culture of the organisation to support the delivery of the new approach across the Council. The Council has embraced the interdependency between risk and performance management within both the business planning and decision-making processes. Max Caller has continued to support and challenge officers in the development of Operational Risks within the register that need to be elevated due to increased significance and or impact beyond tolerance levels.

This tier of risks will have a process developed to ensure transparency, rigour and stepped up management by CLT with reporting into EMT on a monthly basis, this is now being instigated now that CLT and EMT are operating in Business as Usual again.

Vulnerable Adults and Children

In response to COVID19, the council played a central role in supporting vulnerable adults and children. Adult Social Care assisted the NHS in reducing pressure on the acute hospitals. In order to do this, it changed its service model at pace and through the introduction of the Discharge 2 Assess model (D2A), Delayed Transfers of Cares

have been reduced to very low levels. Work to embed this service is underway and a dedicated programme has been initiated to cement the new ways of working through the Early Intervention service and the D2A model.

The Council was pivotal in supporting early years providers, schools and other settings to transition into lockdown and virtual learning environments. The response has been coherent and strongly co-produced with a consistent and resolute focus on vulnerable children and families as well as the safety and wellbeing of teaching and support staff. The council responded comprehensively and at pace to support the families of the 61,000 children across the city who are eligible for free school meals and issued supermarket vouchers for the period before the DfE Edenred scheme was formally launched.

The Trust's response to COVID19 was strong and robust. Every open case was risk-assessed and contact with families maintained at a high rate. The Trust quickly, established a Resource Hub, providing essential support and supplies to families with whom the Trust was working. Contact maintained with all 8500 families with whom we work; 87% of children with CP plans visited in line with their plans throughout period. School attendance tracking national performance for vulnerable groups.

Notwithstanding the rapid and robust response to the pandemic, the Council has also continued to make substantial progress over the last twelve months in improving outcomes for children and adults.

Adult Social Care is continuing to deliver significant improvements in outcomes for citizens through its transformational programme. Savings are continuing to be delivered through their focus on prevention and early intervention. The early intervention service model has been rolled out across Birmingham and the multi-disciplinary community teams are providing better support for older citizens and reducing admissions to residential care.

The service providing strategic finance support to schools has been improved with CIPFA support. There has been significant traction on SEND transformation illustrated by both performance metrics and DfE/CQC monitoring visits. This has been realised through the strengthening of the Children's Partnership collaboration and leadership on key city issues such as the development of an 'early help' business case. The acceleration of the early help programme and the pivot towards earlier interventions demands better integrated working across children and adults' services and beyond.

We are delivering an integrated approach across children's, adults' and health services to deliver long-term, sustainable solutions. This integrated working is clearly visible through our continued work on the Preparation for Adulthood programme and the creation of an integrated transitions team working across health and social care. The Birmingham Children's Trust has played a major role in taking forward the 'Preparing for Adulthood' programme, including developing more effective transitions

work and shaping services for vulnerable young adults, in partnership with Adult Services. Funding has been agreed for the proposal and recruitment to the new teams is nearly complete which will shift the shape of current services.

Other proposals are being finalised as part of the broad approach to improve services across the Life Course. The Life Course Board is driving the changes in the care and health system across children and adults' services. This Board meets monthly and is the focal point for the development of the transformation programme required to improve outcomes, integrate and modernise services and manage demand more effectively

There has been continued progress of the Children's Trust, underpinned by strengthening commissioning arrangements and cross-agency working and collaboration. However, challenges around budget and demand remain and COVID19 has raised further potential budget issues for schools and the Children's Trust. There is an urgent requirement through early help/intervention to get ahead of the increased need produced by COVID19, with high quality, integrated services wrapped around vulnerable families that effectively build community capacity and resilience. We are some way to achieving this but committed to continue to drive forward this approach.

We will continue to build upon existing partner relationships and develop collaborative, integrated approaches. We will also continue to strengthen and make more coherent children and young people's voices and their impact on outcomes in Birmingham.

The improvement trajectory of children's social care services delivered by Birmingham Children's Trust has been maintained over the last 12 months. In February 2020, Ofsted conducted a focused visit, inspecting the Trust's contact, referral and assessment arrangements. The outcome was positive. Ofsted reported: *'continued progress and improvement in the front door arrangements' and 'Quality assurance and performance information arrangements have been strengthened. Leaders have a good understanding of their strengths and areas for improvement.'*

An innovative and effective multi-agency Contextual Safeguarding Hub has been established, providing better interventions and integrated safety planning for children missing, and at risk of exploitation in all its forms. This was positively regarded by Ofsted.

The Trust has had successful bids to develop Family Drug and Alcohol Court and pre-proceedings Family Group Conference: £1.5m from DfE, reflecting growing confidence in the Trust nationally. Further, we have received DfE ministerial sign off for the Trust's innovative and unique proposals to deliver a Regional Adoption Agency.

We have doubled the recruitment of foster carers over the last 12 months bringing the service into a net gain position for the first time in the last 5 years and

established a stable workforce with 12% agency Social Workers (lower than national, regional and statistical neighbour averages); 9% team managers.

The Trust has played a prominent role in building stronger partnership work across the children's system; instigating and driving the establishment of the COVID19 Early Help response and establishing the Partnership Operations Group that has met weekly for 3 months, with up to 40 partners connected, jointly planning COVID19 practice responses.

Good Governance and Culture Change

Technology has proved an invaluable asset during lockdown with a massive increase in the use of interactive digital applications. Yammer has become an overnight success for staff engagement with sessions held by senior leadership and elected members, including Equality, Diversity and Inclusion, and all things related to COVID19. These sessions appear to be valued by staff as they can engage directly on topical issues and ask questions within a safe forum.

There have been some significant staffing changes since our last response, including the appointment of the interim Chief Executive. There is a recruitment plan in place to recruit to other permanent vacancies and this will assist with stabilising the leadership team. There is still more work to do on culture change, but the Council has a firm grip on this and already has the Workforce Strategy and Implementation Plan in place to continue to deliver it. The ten levers in the Culture Change Framework are progressing well even during COVID19, recognising of course that culture change takes time and patience for an organisation as large and complex as BCC.

The Council has done a lot of preparation on re-imagining and re-setting the 'new normal' for after the COVID-19 emergency. Communication and engagement with the workforce has been regular and informative, including advice and guidance on welfare, mental health, working from home in a crisis, well-being tips, virtual training sessions, and information on the staff intranet and the internet.

A Health and Well-Being survey is being undertaken to capture the feedback from staff on life during the lockdown, their thoughts on home working (for those that are office based) and their views on transition into recovery.

Peer Support to the Chief Executive

The role of Donna Hall, as a dedicated peer to the Council's Chief Executive, has been invaluable given the unexpected turn-over in relation to this vital post during 2019-20. Donna assisted Dawn Baxendale in establishing the NEA model in July 2019 and then worked very closely with Clive Heaphy and the wider CLT during the period following Dawn's departure to New Zealand. Donna, alongside other NEAs, advised the Cabinet regarding the decision not to appoint to the Chief Executive role permanently in spring 2020 which they regarded as an appropriate, confidence and courageous decision by the cross-party JNC committee. Donna has subsequently

supported both Chris Naylor in his induction into the Interim Chief Executive role and has helped by facilitating workshop sessions with the Cabinet and wider Corporate Leadership Team. Her advice, positivity and support to all such postholders has been invaluable.

Over the last 12 months as I have previously detailed, the NEA's have provided the Council's Leadership Team, myself and my Cabinet with invaluable support and advice.

This, model for local government improvement has been a success for Birmingham City Council and we would support the application of it elsewhere. In acknowledgment that this was a pilot; in partnership with the NEAs, we have outlined key issues and feedback on the approach. This is attached as Appendix 2.

This innovative model has provided us all, with a new experience and understanding of what peer support might look and feel like. It has been beneficial. I look forward to building on dialogue between my officers and your senior officials. In the meantime, I would be delighted to meet if you would like to discuss this final progress update in more detail.

Yours sincerely

A handwritten signature in purple ink, appearing to read 'Ian Ward', is positioned above a vertical line that extends downwards.

Councillor Ian Ward
Leader of Birmingham City Council