

Addendum – BCC 2019-20 Improvement Programme

1. Context and Purpose

Alongside the Improvement Stock-take Report published at Cabinet on the 26th March 2019, the Council also published a summary improvement plan for 2019-20 which cited a range of actions and areas for ongoing development and maturity in the Council's approach.

This document also cited that, "it will be necessary to construct a new model to ensure continued internal capacity to challenge and ongoing third-party support and engagement. To that end, the Council is putting in place a new quality assurance framework to monitor pace and quality of improvement work, including personalised packages of support from key national bodies such as the LGA and CIPFA."

This model describes formal processes through which partners, citizens, internal and external Audit, Overview and Scrutiny and LGA peer capacity will be continually deployed to quality assure and challenge Council improvement arrangements. The intention is that these arrangements are frequently and publicly reported to Cabinet alongside the Council's performance management reports.

Further to the publication of this plan, the Council has received a draft letter and report by the Birmingham Independent Improvement Panel which alludes to additional, "challenge and support" being required. The Council has also received a final version of the External Auditor's impromptu findings that cite a) Governance and the Waste Service; and b) Finance as the, "particular challenges that need to be tackled now" and hence the issuing of two new statutory recommendations in these areas.

2. Proposed Next Steps

In light of the new analysis above, the Council is proposing to strengthen the level of challenge and support that will wrap around the stated areas for improvement, and the proposed approach is outlined below.

The Council acknowledges the advice of the BIIP that one of the critical issues in sustaining Council improvement will be enhanced **capacity**, whilst noting the input from Overview and Scrutiny members and strategic partners that a **collaborative and partnership** model of improvement, with clear and shared accountability, will be most conducive to success. Finally, in light of the shared self-assessment, BIIP and external audit analysis of future risks, the Council is seeking to ensure that additional challenge and support is **targeted in a manner that is both aligned to and commensurate with risk** – namely around waste governance, industrial relations and financial resilience.

- a) The Council has already publicly agreed a specification for the commissioning of an independent review of the Council's model of waste collection and disposal services, with a *clear and repeated commitment to publish the findings of this review report at the end of the initial phase* – likely to be September 2019. This review will also consider management practice and any associated risks in line with the external auditor's statutory

recommendation. The Council intends to draw heavily on peer mentoring and support to all Cabinet members throughout the period of this review, and will have the option to deploy additional external capacity as a result of the commissioned arrangements to support any change management required as a 'phase 2' from October 2019 onwards.

- b) The Council has already indicated that it will be formally reviewing its industrial relations framework in 2019-20 with peer support and exemplar case studies provided by UK Core Cities and supported by the LGA. The Leader has already announced at Cabinet our intention to establish a dedicated industrial relations unit and to conduct a deep and thorough review of legal and democratic services to ensure that they are modernised and fit for purpose. *The Council proposes to formally report to Overview and Scrutiny on the findings from our analysis of Core Cities industrial relations, and then bring an action plan (in concert with Trade Unions) to Cabinet outlined decisive changes that will be made to both Council and Trade Union ways of working.*
- c) The Council has already commissioned the Chartered Institute for Public Finance and Accounting (CIPFA) to provide formal third-party challenge and support to the Council throughout 2019-20. The existing CIPFA programme includes focussed review and challenge of the Council's strategic finance function to ensure capability, capacity and transparency in the Council's approach; whilst also positioning Birmingham as one of the pilot areas in the CIPFA financial resilience modelling.

Additional measures proposed by the Council in light of the BIIP and external auditor analysis are:

- d) *To align the Council's own independent waste review with the DEFRA sponsored review of waste collection and disposal arrangements across the regional footprint, being undertaken by Local Partnerships.* This will provide an opportunity for transparent regional benchmarking against the Council's current model and options for enhanced value for money and service improvement.
- e) To invite CIPFA to expand their remit with a dedicated role for the Chief Executive of CIPFA, Rob Whiteman, in providing *an independent and public report on the Council's financial resilience* to the Council's Cabinet and Secretary of State on a six monthly basis during the financial year 2019-20.
- f) To retain the 'temperature take' model of regular engagement with statutory partnership chairs, opposition elected members and key partners *with the quarterly publication of the feedback from such stakeholders* alongside the council's quarterly performance report; and
- g) *Voluntary formal reporting to the Secretary of State at two key points within the year – September 2019 and March 2020 – on the progress made in delivery against the Council's 2019-20 plan; performance and financial reporting in-year; and specific actions in place to mitigate the risks identified in the external auditor's statutory recommendations.*

The Council trusts that these measures provide the Secretary of State with reassurance that the Council is ensuring a relentless and determined focus on improvement, with requisite transparency around investigation, mitigation and reporting in line with our stated risks.

The Council is open, however, to advice, challenge and debate with MHCLG Ministers and officials in order to bolster the proposed plan of action in advance of the 2019-20 municipal year.