

Birmingham City Council

Report to Cabinet

21st July 2020



Subject: **BIRMINGHAM CITY COUNCIL ASSURANCE
FRAMEWORK 2019 -20+**

Report of: **THE CHIEF EXECUTIVE**

**Relevant Cabinet
Member:** Councillor Ian Ward, Leader

Relevant O & S Chair(s): Councillor Carl Rice – Co-ordinating O&S Committee

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Are specific wards affected?	Yes	X No
If yes, name(s) of ward(s):		
Is this a key decision?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, add Forward Plan Reference:		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential:		

1 Executive Summary

- 1.1** In July 2019, Cabinet approved the adoption of an innovative new model of 'progressive assurance' which led to the formation of a quarterly Strategic Programme Board. Specialist external Non-Executive Advisers (NEAs) were appointed to provide subject matter expertise on key areas of improvement activity (aligned to specific risk and professional areas of focus) to support the Council Leadership Team until July 2020.
- 1.2** As part of the agreed governance arrangements with The Ministry of Housing, Communities and Local Government (MHCLG), the Strategic Programme Board has submitted voluntary update reports from the Leader to the Secretary of State in Autumn 2019, Spring 2020 and now this, the final report for Summer 2020. The final update report is attached as Appendix 1.

2 Recommendation

That Cabinet

- 2.1** Approves submission of the report (including Non-Executive Adviser commentary Appendix 2 and Lessons from the NEA model Appendix 3) to the Secretary of State to appraise Government of progress made and the residual and newly emerged COVID-19 related challenges facing Birmingham City Council's improvement journey.
- 2.2** Endorse the consensus position, outlined within Appendix 2, to acknowledge the important contribution that the NEAs have made to the Council's improvement journey in 2019-20 whilst agreeing to step down the NEA model as we head into 2020-21.

3 Background

- 3.1** Following the final report of the Birmingham Independent Improvement Panel in March 2019, the Council considered how best to continue the service improvement and transformation journey and agreed a model of 'progressive assurance' through the establishment of a quarterly Strategic Programme Board (SPB).
- 3.2** The SPB has been designed to maintain impetus around key areas of improvement activity, allow the Council to continue benefiting from external experience, and secure the trust and confidence of local stakeholders and Government.
- 3.3** Membership of the SPB includes all members of the Council Leadership Team (CLT) and five specialist external Non-Executive Advisers (NEA) to provide advice and input to the Council on key areas of improvement activity as follows:
 - Sean Hanson: Waste management and industrial relations;
 - Javed Khan: Outcomes for vulnerable adults and children;
 - Rob Whiteman: Financial resilience;
 - Max Caller: Risk management; and
 - Donna Hall: Good governance and culture change & Peer support to the Chief Executive.
- 3.4** The SPB committed to submitting voluntary update reports from the Leader to the Secretary of State in order to provide assurance that the model is genuinely value adding and that sustainable progress is being achieved at pace. The final report is now due to be submitted.

4 Current Progress

- 4.1** The SPB has now met formally six times (including induction and half-day sessions) over the last twelve months and CLT have been in ongoing dialogue

with the NEAs around key lines of enquiry and the challenges around COVID - 19.

- 4.2** Following an initial induction session, the Board met formally in October to focus specifically on reviewing the Council's budget position. They met in November to focus on industrial relations and culture change. The meeting in January 2020 focused on waste management business planning, budget, and risk management. The March meeting was dedicated to social care and partnerships. The June meeting concentrated on the recovery strategy required due to the pandemic and the COVID-19 impact on progress, reflections and learning from the NEA model and the direction of the improvement journey following July.
- 4.3** For over a third of the time the NEA model has been in place it has been disrupted by the response to COVID 19. Responding to the pandemic has been the priority of the Council and the impact this will undoubtedly have on the finances and shape of the council in the future is not clear yet but will be a challenge for local government generally.
- 4.4** A report was presented to [Full Council](#) on 9th June detailing the Council's response to COVID-19 and how our efforts ensured Birmingham's citizens and businesses continue to be kept safe and supported. Cabinet is also receiving a report today on the Initial Analysis of the impact of COVID-19 on Birmingham Communities. During this time the NEAs have been kept apprised of the response activities and briefed on the emerging impacts. The Council has taken NEA advice throughout this period that has contributed helpfully to our assessment of risk and national / regional engagement. However, pace on the direction of travel for the improvement journey has not halted due to COVID-19.
- 4.5** While responding to the emergency, the Council's leadership team have also been working with the new interim Chief Executive to develop a comprehensive and coherent two-year delivery plan and corresponding refresh of the sustainable Medium-Term Financial Strategy, cognisant of COVID-19 impacts, for consideration by Cabinet in November 2020. The NEAs have been apprised of this process and draft content of the two-year delivery plan and have contributed to the clarity of our purpose and direction to ensure that they have confidence in the Council's vision, cross cutting priorities and how they will be delivered following the NEA's departure.
- 4.6** The interim Chief Executive has held several engagement sessions with Cabinet, and senior officers to discuss and better understand the context in which we are now working due to the pandemic. This work will build upon previous work and help carve out an approach for the longer term that sets out a collective view of the city where it can and should be and the role of the Council in helping to make that happen. The six outcomes are still at the centre of this longer-term approach but in understanding the drivers of achieving these outcomes we can introduce a framework to address and understand the root causes, at its heart, this is about tackling inequality so everyone can aspire.

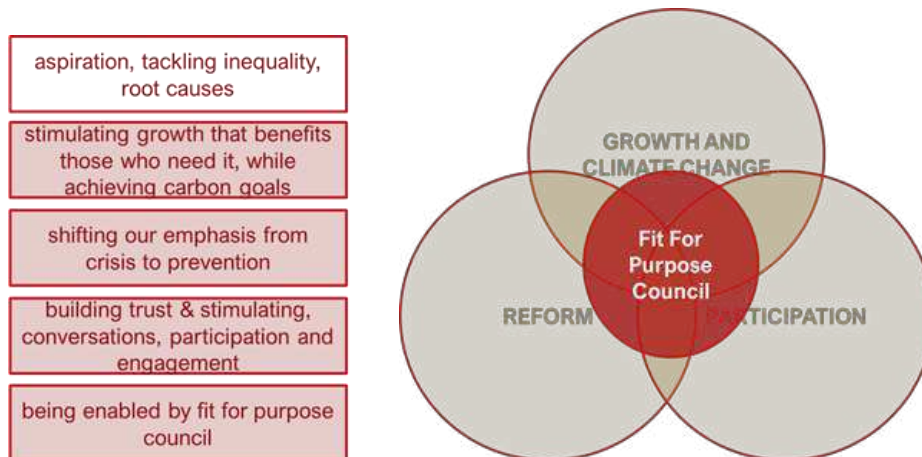


Figure 1. Tackling inequalities - four drivers and themes

- 4.7**
- 4.8** The four key drivers enable us to approach this in a strategic way with a delivery plan for the next two years and beyond. It will provide a common understanding and a common strategy to tackle them but also enable any remaining areas or issues of concern from the initial NEA work to be folded in addressed as part of the delivery plan moving forward.
- 4.9** This approach and the growing confidence around it are reflected in the NEAs' July response. They too are enthused about the momentum and direction of travel such that they are assured that their work can be concluded in July 2020. This is a position shared by the Council's Leadership Team.
- 4.10** The final update report to the Secretary of State from the Leader of the Council is attached to this note for Cabinet's consideration. The report includes an appendix with commentary from the NEAs themselves. The commentary demonstrates that the SPB model of progressive assurance has worked well and generated value for the Council. The NEAs have highlighted specific areas of challenge which continue to require focus and momentum but which they are confident will continue to be tackled after their work has concluded.
- 4.11** The Council recognise the value and opportunity this approach to local government improvement has provided them and would recommend its use elsewhere if the circumstances were agreeable. Attached, as Appendix 3, is a collaborative piece of feedback from the Council and NEAs on the merits of the NEA model for the Local Government sector as a whole, which has been shared with the Local Government Association and MHCLG.
- 4.12** The Council will continue to seek external advice as appropriate in line with the Delivery Plan and use the best in sector support in the future as required.

5 Consultation

- 5.1** None required

6 Risk Management

- 6.1** The agreed areas of focus for the NEA roles were, in part, generated by the statutory recommendations published by the Council's external auditor during 2018-19 and the 'risk' NEA has advised specifically around the Council's internal risk management culture and practice. The External Auditor attended the June meeting of the Board in order to assess progress and expressed positive feedback regarding both the progress made with the model, and the Council's response to those statutory recommendations. Due to COVID-19 the formal publication of the External Auditor's report has been pushed back until November 2020 at the earliest.

7 Compliance Issues

- 7.1** The recommended decisions are consistent with the City Council's priorities, plans and strategies, supporting the Council's stated commitment to improvement.

7.2 Legal Implications.

- 7.2.1 None

7.3 Financial Implications

- 7.3.1 Financial commitments in supporting the SPB model are consistent with the use of Policy Contingency agreed in the July 2019 Cabinet report.
- 7.3.2. The final running total of spend to date for external advisors is £42,520 and not estimated to exceed £50,000 therefore, is substantially less than the Policy Contingency budget allocation in 2019-20 and 2020-21 which was £72,000 for external advisors as part of a wider improvement budget of £150,000.
- 7.3.3 The contingency surplus is still available to be applied to Council improvement activity in 2020-21 in consultation with the Leader of the Council, the Interim Chief Executive and the Interim Finance Director.

7.4 Procurement Implications (if required)

- 7.4.1 None

7.5 Human Resources Implications (if required)

- 7.5.1 None

7.6 Public Sector Equality Duty

- 7.6.1 None

8 Appendices

- 8.1** Appendix 1 – Secretary of State Update – Summer 2020
- 8.2** Appendix 2 - Birmingham Non-Executive Advisors Overview - July 2020

8.3 Appendix 3 – Lessons from the NEA Model.

Background reports

- City Council 9th June 2020 – Response to COVID-19
- Cabinet 21st July 2020 - Initial Analysis of the Impact of COVID on Birmingham Communities