

# 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

**Report author:** Varun Sitaram [Varun.sitaram@birmingham.gov.uk](mailto:Varun.sitaram@birmingham.gov.uk)

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**

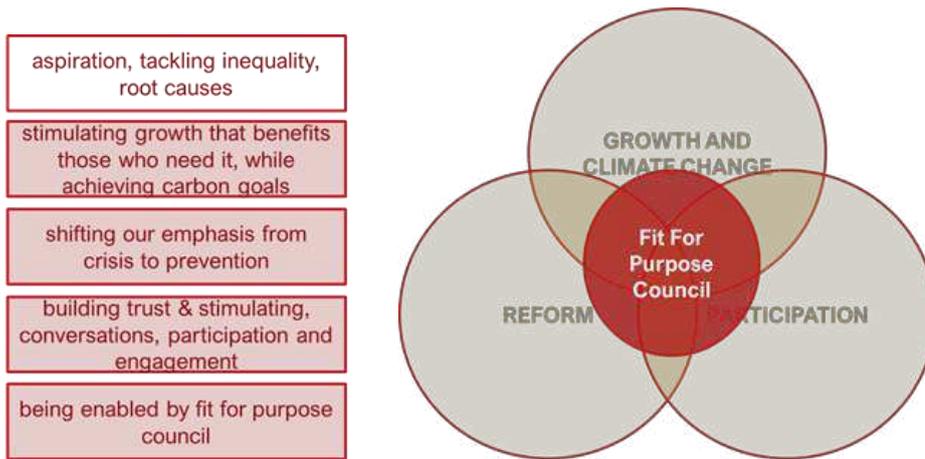
- 3.1** Following the final report of the Birmingham Independent Improvement Panel in March 2019, the Council considered how best to continue the service improvement and transformation journey and agreed a model of 'progressive assurance' through the establishment of a quarterly Strategic Programme Board (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.



**4.7**

Figure 1. Tackling inequalities - four drivers and themes

**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 9<sup>th</sup> June 2020 – Response to COVID-19
- Cabinet 21<sup>st</sup> July 2020 - Initial Analysis of the Impact of COVID on Birmingham Communities



**COUNCILLOR IAN WARD**  
**LEADER OF THE COUNCIL**  
COUNCIL HOUSE  
VICTORIA SQUARE  
BIRMINGHAM  
B1 1BB

Tel: 0121 464 4000

Email: [Ian.Ward@birmingham.gov.uk](mailto:Ian.Ward@birmingham.gov.uk)

Our Ref: IW/1161tr

21 July 2020

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 21<sup>st</sup> 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 blue ink, appearing to read 'Ian Ward', is written over a thin vertical line that extends from the 'Yours sincerely' text above.

**Councillor Ian Ward**  
**Leader of Birmingham City Council**

## **Birmingham Non-Executive Advisor Overview – July 2020**

### **Good Governance and Culture Change**

Progress that has been previously reported to MHCLG has been substantially built upon and reinforced since our last letter to you. Despite the Council dedicating enormous amounts of time, energy and resources to the local management of the COVID 19 pandemic, considerable progress has been made on embedding a one team approach with solid governance and a focus on improving organisational and place-based culture in Birmingham.

Since our last letter to you, a new Interim Chief Executive Chris Naylor has been appointed following the decision not to appoint a Chief Executive from the field of candidates shortlisted in December. In our view as Non-Executive Advisors to the Council we felt this was the right decision for the Appointment Panel, given there was not adequate assurance that any of the candidates were the right “fit” for the organisation and the City’s partners. It was a braver decision to not appoint than to make an appointment on the basis of needing to fill the post quickly.

All Non-Executive Advisors were consulted on the appointment of Chris Naylor, Chief Executive at Barking and Dagenham and all felt this would be a strong candidate with the necessary skills, expertise and creativity to continue to drive forward good governance, culture change and to deliver on the Council and the City’s ambitions.

Despite the difficulties of managing an organisation during a major crisis, the new Chief Executive has introduced a new Behavioural Framework within his first week and has started meaningful and in depth consultation with the workforce, elected members and trade unions on embedding this, which will take time to build the confidence of such a large and complex organisation but the early work is very promising.

Extended development sessions have taken place with more sessions being planned for the Cabinet and Management Team to develop a new Delivery Plan for the Council with sharper focus and clarity on the Council’s top priorities, budget pressures and milestones and a strong engagement framework with local residents and businesses.

The organisation has adapted well during Covid 19 with office staff predominantly working remotely; a real test for the IT and Digital Teams. IT in all its forms has been embraced by the workforce along with elected members and the Cabinet who have embraced this new way of working and have used this an opportunity to sharpen up governance and decision making.

Weekly corporate meetings are taking place with trade unions to ensure all workplace issues, especially health and safety issues are managed quickly.

A health and wellbeing survey is being carried to ensure all staff, whether working remotely, working in the community or coming into their workplace to carry out their roles feel safe and connected to their colleagues and to management through strong and effective business continuity arrangements.

When the Non-Executive Advisors first commenced working with the City almost a year ago, all 3 Statutory Officer posts were filled with permanent appointments. The present position is that all three are now held by interim appointments and that the Head of Paid Service post has been held by 4 individuals, the Monitoring Officer by 3 and the Section 151 Officer by 2 postholders. No timeline exists to recruit to fill the positions permanently and we agree with

your new Interim Chief Executive that this is not the most important task over the next few months. However, stability of the top officer and political team is essential to deliver the momentum needed to ensure the City recovers from recent challenges.

It is crucial to appoint individuals who are prepared to commit themselves to the City for a 3-5 year period and who have the skills, ideas, and resilience to deliver over the entire period. This experience should lead the City to evaluate who they use to secure both permanent and interim resources at the top level of the organisation and how they are appraised and tested so that candidates are only presented if they meet the City's requirements. An unsuccessful appointment at this stage would be hugely damaging.

However, the new Chief Executive has settled in well during the last few months and we feel assured that with his leadership as Head of Paid Service working in partnership with strong political leadership from the Leader and his Cabinet and the support of the whole Council progress has been made towards establishing a strong and confident management team which gives us some assurance that the Council is on its way to becoming the organisation that the City of Birmingham deserves.

A key focus on Equality and Diversity will need to be a priority running through the Council's emerging Delivery Plan. Whilst the Council's Cabinet is diverse in its membership, the Council's management team needs to better reflect the population they serve and work is underway to ensure more diverse senior people in the Council.

### **Children and Adults**

The Council has continued to strengthen its response to the highly challenging agenda of ensuring the safety of its most vulnerable people. In a city that boasts one of the most diverse and youngest populations in Europe, this is no mean feat. Through concerted effort and energy from its senior executive, well supported by relevant Cabinet members, the Adult's and Children's departments have continued to work well together and crucially with The Children's Trust too.

Considerable focus has been deployed in planning for the most effective use of new funds over the next five years, helping to create a Preparation for Adulthood and Vulnerable Adults Improvement and Transformation Programme, underpinning the Council's commitment to the life course approach across Birmingham. It is early days, but it is envisaged that this powerful collaboration of internal departments and an array of external partners could lead to significantly improved outcomes for 14 to 28 year olds, as well as 'systems change' in the city. A new team driving this work now sits within The Children's Trust, which in itself is a strong statement of collaborative working. Additionally, the city has recruited its first 'Joint Head of Service' to bridge the transition between children's and adult's services, reporting across the key partners.

The Children's Partnership continues to play a key role in the city's response to the most challenging issues. The response to Covid-19 has shown the value of this 'investment' where the city has responded with some confidence to the needs of vulnerable children and their families. The Covid-19 Early Help response group, which brought together 40 partners on a weekly basis, played a key role in this. The strength of relationships with schools and their local communities was bound to be tested during the pandemic, but the Council managed this as well as could have been expected, and commendably prioritised desperate need ahead of affordability.

Progress is being made on SEND support and Early Help programmes too, though the challenges remain significant and pace could be increased. The Children's department's

Commissioning capacity remains an issue that needs to be addressed. Foster carer numbers have increased significantly, and adoption performance has improved along with placement stability for children in care.

Looking forward, there remain many risks that the Council needs to have a sustained focus on. Improvements in outcomes for vulnerable children and adults can take many years to achieve, but ground can be lost very quickly indeed. The Autumn will present a key test when, after the expected end of most lockdown measures, most services are expected to see a spike in demand. Those already on 'vulnerable registers' will be joined by those who have become vulnerable during the pandemic. This will include young and older people who have now found themselves living in poverty; those with newly developed but unsupported mental health issues; those suffering from domestic violence; the newly bereaved; victims of domestic abuse; sexual abuse; criminal exploitation...and more. Services will potentially be stretched to the extreme, without the capacity to respond effectively. Add to this the well-researched disproportionate impact of Covid 19 on BAME communities, with the City's diverse population as it is, and you can see the potential for a further significantly testing time for the Council's response to supporting its vulnerable people. The Cabinet, the new CEO and his top team should factor this risk into their planning now.

## **Finance**

Before the advent of the COVID-19 crisis, Birmingham's finances were not at immediate risk, but senior members and officers have recognised that financial planning and control have been relatively weak and must improve rapidly through the finance improvement programme to manage the financial risks of the Commonwealth Games and work needed to balance the budget. As for all authorities the position is aggravated by COVID-19, and the work of interim CFO and her team to use identify and manage the financial consequences have been exemplary.

## **Risk**

The public health emergency has emphasised the need for good and effective risk analysis, particularly in financial terms. The Council has been conscious in its reporting and analysis of both short- and long-term risks in financial terms. The approach proposed to be followed by the newly appointed interim Chief Executive will form a good basis for the necessary reimagining of the city as it is clear that previous assumptions about physical and social development need to be revalidated or amended.

The Council is also better placed to take a realistic view about the delivery of the Commonwealth Games project recognising that it is now not possible to maintain the original timeline for every element. This is more likely to lead to a stronger and more sustainable legacy than before without detriment to the overall event experience.

Attention needs to be drawn to the recent (15<sup>th</sup> June 2020) MHCLG publication "Addressing Cultural and Governance Failings in Local Authorities: Lessons from Recent Interventions", This highlights that overreliance on interim statutory officers can indicate a local authority may be experiencing serious governance issues. Proper recruitment and nurturing of a new cadre of permanent senior managers with the requisite outlook and skills to achieve improvement has been shown to begin the journey to deliver best value.

In our last letter to you we highlighted some concerns about the Commonwealth Games vacant leadership role and some potential delays. These issues have now been resolved fully and the Council has appointed an experienced leader to head up the Commonwealth Games team. Key decisions have also been taken regarding accommodation which will

prevent further potential delays. We are satisfied that The Council has acted on our concerns with urgency.

Over the next few months, Cabinet will be invited to endorse a coherent way forward for the City. Agreeing this and showing that it can deliver against the challenges this poses will be essential if the City is going to stand on its own feet for their people and the wider region.

### **Waste Management**

Waste and street cleaning services have benefitted from improved relationships with trade unions and improved performance on the ground and in the depots, both before and during the recent COVID-19 crisis. The teams have relaxed the terms of their memorandum of understanding during the COVID-19 response period and this has resulted in much improved feedback from service users and residents. The work that has been done to improve relationships has included strong leadership and agility from the cabinet and the portfolio holder. There are, however, key decisions that remain to be made. The Council has not yet concluded its review of waste collection services and the independent review is long overdue. In addition, the Council needs to make decisions around its future capital programme in general and specifically in relation to its future waste disposal contracts and assets. The Council needs to ensure that the lessons that have been learned from closer collaboration are carried forward so that tensions that have been deferred do not reverse the good progress that has been made so far.

To conclude, we feel as a team of Non-Executive Advisors who have worked intensively with the Council and its partners over the last year, that this model has worked well. We have seen real progress in all areas that we have been asked to explore and support. We are confident that if this momentum continues and the solid working relationship between Members and officers is consolidated, the work of the NEAs can be concluded.

We would like to thank the Leader of the Council for his openness and that of his Cabinet and all elected councillors, all members of the management team and the three Chief Executives we have worked with as well as partner organisations and frontline staff. Birmingham is an amazing City and deserves the very best for the future.

## **Lessons from the NEA Model**

The Council and NEAs have been acutely aware, throughout 2019-20, that the NEA approach was a new model being trialled with regard to local government improvement. The Council and NEAs have therefore worked together to capture some headline aspects of feedback in relation to the model and commit to work with MHCLG and the LGA in assisting with shared learning for the benefit of the sector as a whole.

We regard this model as having been successful in Birmingham, with opportunities for application elsewhere. This is contingent, however, on certain pre-conditions being in place to lay the ground for success. Fundamentally, this model will only work where a host Council accepts the need for change, takes collective responsibility for legacy failings and wants to pro-actively improve.

This was the scenario in Birmingham, where both political and officer teams within the Council had publicly outlined the areas for improvement in summer 2018 and spring 2019 and were willing to commit to a mature partnership with NEAs to move the Council forward. This requires a high degree of self-awareness, courage and appreciation of the risk involved for both Council and NEAs alike. It is clear from the recent history these pre-conditions do not exist in every part of the sector nationally, and therefore the NEA approach to improvement would not work as an imposed model or in circumstances where the Council is not willing to countenance transparent exposition of areas for improvement. Similarly, the Council's proactive engagement with external auditors as regular contributors to the 'programme board' meetings alongside NEAs is testament to this forward-thinking approach to 'progressive assurance' in Birmingham.

It is the consensus position of the Council and NEAs that the partnership together has seen the Council come a long way in 2019-20, but we could have done even better with consistency of senior officer leadership and a more formal period of preparation. The creation of this model was forged in a rather fraught and tense negotiation regarding the departure of the previous Independent Improvement Panel and therefore it was not possible to cogently align the intentions of the NEAs with a senior team prior to arrival. Of similar concern was the commencement of the model in July 2019 almost coinciding with the announcement regarding Dawn Baxendale's departure, so an opportunity was lost to genuinely co-design the NEA's strategic input with that of a CEO's agenda for change. In the circumstances a huge amount has been achieved through the commitment of CLT to the NEA model, but if this model is applied in other places, a single CEO shaping the selection of NEA areas of expertise could ensure consistency and creation of a single force for change.

A resoundingly positive aspect of the NEA model in Birmingham has been the political engagement with the NEAs as a group and the concept of external advice into Cabinet. Sessions with the Leader, Deputy Leader and / or Cabinet members are cited by NEAs as the highlights of the year and the Leader was consistently complimented for being open and accessible, listening and engaging in NEA's appraisal of options. A particular example in this regard was the NEA's endorsement of the decision not to initially appoint from the field of CEO candidates, which was regarded as a brave but correct political choice. The NEAs have been delighted to see Cabinet members grow in confidence when given, "space to breath" out of national intervention and the strategic intent of the NEA model is regarded as giving leadership the confidence to lead. In future iterations of this model, NEAs would advise peers acting in an NEA capacity to spend more time with Cabinet and the Council Leadership / Executive team together.

In relation to the Birmingham experience, such processes do require management and support, and both the Council and NEAs would advocate having a dedicated programme

## APPENDIX 3

manager in place for any other local authorities adopting the model, with a sponsoring Director or AD taking responsibility for the coordination of the improvement agenda, and flows of information across the organisation with and on behalf of NEAs, in support of the Chief Executive.

In terms of wider reflections for the sector, MHCLG and the LGA it is the consensus position of the Council and NEAs that this model can (and should) certainly form an important part of the range of tools available to drive local authority improvement across the UK. It is clear that the LGA corporate peer review model is entirely appropriate in certain contexts, and the Birmingham journey out of national intervention validates the core improvement themes at the heart of the LGA's peer model. It could be argued, however, that the LGA peer model is not sufficient in the face of the complexities and dynamics of the post-COVID landscape and the sector now needs to draw on a wider range of diagnostic tools, professional perspectives and suites of hard and soft intervention tools to meet the expectations of citizens and Government. As above, the NEA and peer review models would appear to sit alongside tools that are best applied when Councils are willing to commit to transparency. Indeed, it could be argued that the NEA is a form of ongoing peer review, albeit with a wider range of peers that draw from different sectoral disciplines.

In summary, the Birmingham NEA model has been a resounding success for Birmingham. The 'fit' and 'chemistry' between NEAs and the Council has been integral, with less of an emphasis on national assurance and more on the provision of local advice and support in a practical manner, and we will carry forward that ethos into the next stage of the Council's improvement journey. NEAs, Cabinet Members and senior officers in Birmingham alike would be delighted to assist peer councils, the LGA and MHCLG in taking forward similar models elsewhere in the country.