

Birmingham City Council
Report to Cabinet/Cabinet Committee
 19 January 2020



Subject: **Investing in our Future**
 What Birmingham City Council needs to do next: 2021 to 2026

Report of: Chris Naylor, Interim Chief Executive

Relevant Cabinet Member: Cllr Ian Ward, Leader

Relevant O &S Chair(s): Cllr Carl Rice

Report author: Amerdip Kaur, Chief Executive’s Senior Policy Officer

Are specific wards affected?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s):		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input 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, state which appendix is exempt, and provide exempt information paragraph number or reason if confidential		

1 Introduction

1.1 This paper sets out the proposed direction of travel for the leadership, design and organisation of Birmingham City Council so that it can deliver the administration’s long-term vision for the City and the six priority outcomes as set out in the Delivery Plan:

- An entrepreneurial city to learn, work and invest in
- An aspirational city to grow up in

- A fulfilling city to age well in
 - A great city to live in
 - A city whose residents gain the most from hosting the 2022 Commonwealth Games
 - A city that takes a leading role in tackling climate change
- 1.2 We are living in arguably, the most challenging times facing Birmingham since the Second World War. The coronavirus has caused untold human tragedy and economic damage. We will recover, building back better by addressing some of the systemic inequalities that hold our citizens back and that limit their life chances.
- 1.3 To support this, there are huge opportunities on the horizon in the short, medium, and long-term. For example:
- a) The Commonwealth Games is only 18 months away
 - b) The arrival of HS2
 - c) The City's ambition to tackle climate change and delivering economic growth via decarbonisation (as set out in the Route to Zero Action Plan)
- 1.4 Two of our greatest assets are our communities and the City Council's staff. Our diverse communities have demonstrated their resilience, resourcefulness and compassion during the pandemic. As an organisation we need to be geared toward supporting communities to build upon their strengths so that the benefit of the opportunities ahead is shared more widely.
- 1.5 To do that, we need to change as an organisation, in a way that empowers our staff to showcase their innovation and creativity.
- 1.6 Accordingly, this report includes:
- Challenges and Opportunities - why we believe there are opportunities that can address the challenges we face and what it will mean in practice to benefit from these opportunities
 - A new model of leadership, service delivery and governance - the changes we will need to make inside the Council
 - A new approach to officer governance - how we will give Members and wider stakeholders confidence that we will deliver what we say we will deliver
 - Making it happen - an outline of next steps.

2 Recommendations

- 2.1 It is recommended that Cabinet approves the proposed direction of travel outlined in this paper for the leadership, design and organisation of Birmingham City Council so that it can fulfil the administration's ambition at this time of both hope and challenge.

- 2.2 It is recommended that Cabinet approves the inclusion of £0.51m in the Medium-Term Financial Plan from 2021/22 to fund the increase in costs of the senior management structure.

3 Executive Summary

- 3.1 This is a pivotal moment for the City and the Council. We face significant on-going risks and challenges that must be addressed. Unchecked, the financial sustainability of the Council is threatened. Moreover, the fortunes of the people of Birmingham could suffer. There is a pressing need to act.

- 3.2 The three immediate opportunities detailed further in the attached paper are as follows:

- **Fundamentally shifting our focus from crisis to prevention** - This relates to helping and supporting individuals and families at the early stages of an issue or crisis in their lives, before it manifests as a statutory need.
- **Increasing the pace and scale of growth, for those that need it the most, while delivering our climate change objectives** – By adopting an interventionist approach, the Council can address market failures and stimulate developments that might otherwise not happen, benefiting those who need them the most. In this way, our growth objectives become aligned directly with our approach to early intervention and prevention, by providing amongst other things the tangible supporting infrastructure (affordable housing, local jobs etc.) that help provide the economic foundations for a good life.
- **New ways of working** - Building on the positive experience during the pandemic (while reflecting on what has been challenging), there is the opportunity is to make a permanent shift where 80-85% of our workforce moves to agile and flexible working. In so doing we shift our focus from a desk-based accommodation strategy and a culture of presenteeism to one that champions flexibility and outcomes-based management.

- 3.3 It is proposed that a new structure is built over the next 2-5 years that has two elements:

- A new **Council Core** that exists to set direction and purpose, joins up and then holds delivery departments and the wider system to account, as well as providing world class support and governance services.
 - Chief Executive
 - Director of City Management
 - Director of Partnership; Participation and Equality
 - Purpose Director: City Futures
 - Purpose Director: Places, Prosperity and Sustainability

- **Best in class service delivery functions delivered on an in-house basis** that are designed from first principles to deliver the council's key objectives. In particular: managing from crisis to prevention, growth and climate change, and customer oriented and relentlessly reliable universal services.
 - Managing Director: City Operations
 - Managing Director: City Housing
 - Managing Director: City and Municipal Development
 - Children's Trust
 - Managing Director: City Help and Support
 - Managing Director: City Life Courses

3.4 A new approach to officer governance - the proposed changes to how the Council organises itself will require a refreshed approach to officer governance and leadership.

3.4.1 This will involve the Council Core taking responsibility for setting policy direction and performance standards in an annual process of dialogue and consultation with the Delivery Functions

3.4.2 Each department will have their own Annual Business Plan that cascades from the annual budget, delivery plan and programme plan

3.4.3 Cabinet Members and Scrutiny Chairs will relate directly to Purpose Directors and relevant Managing Directors through their portfolio meetings and in the development of annual scrutiny programmes.

Corporate Leadership Team will be replaced by four meetings that will each take place once a month and include all the directors referred to above:

- **strategy group** that focuses on policy and strategy development
- **performance group** that focuses on the delivery of the budget, business plan objectives, performance framework measures and the delivery of key programmes
- **assurance group** that focuses on the achievement of statutory and other regulatory objectives
- **leadership group** that brings together all directors and their reports, to ensure alignment and understanding across the Council as a whole.

We will also provide a consistent conduit for member meetings be they Cabinet, Overview & Scrutiny Boards, safe-guarding boards, health and well-being or audit committee.

3.5 Making it happen - the changes outlined above will be progressed in phases over the next 2 years with a period of consolidation in the following 3 to 5 years. A JNC

report will follow to establish the key posts of the structure and a phased approach to implementation through to 2022.

4 Options considered and Recommended Proposal

- 4.1 The approach outlined in this paper is the recommended option in addressing the councils and city's challenges and to take advantage of the opportunities to improve the lives of our residents.

5 Consultation

- 5.1 Plans for consultation and engagement will be devised as part of developing the outline business cases ensuring that all relevant stakeholders including trade unions, staff and partners.

6 Risk Management

- 6.1 The Council has an established approach to risk management which is set out in the Strategic Risk Register. Strategic and operational risks will be reviewed in light of this report.

7 Compliance Issues

- 7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

7.1.1 The plans detailed within this paper are the next phase to Birmingham City Council's Delivery Plan to 2022 agreed by Cabinet in November 2020.

7.2 Legal Implications

7.2.1 The plans detailed within this paper will ensure that all service provision is delivered in accordance with the relevant statutory framework and the associated statutory guidance.

7.2.2 Legal advice on any employment issues and any other governance issues that may arise will be provided on an ongoing basis to the JNC panel and others.

7.3 Financial Implications

7.3.1 The proposals to strengthen the Council's core, as set out in paragraph 3.3 above, will cost £0.51m per annum and will be built into the Medium-Term Financial Plan (MTFP) from 2021/22. A separate JNC report is being prepared that sets out the senior posts proposed to be deleted and new senior posts proposed to be created. The net effect of those changes is an increase in the establishment cost of £0.51m. This will be funded from a combination of HRA and General Fund to reflect the nature of the investment. The Medium-Term Financial Plan contains sufficient provision to cover any associated costs as a result of the planned senior changes.

7.3.2 Given the importance and scale of the services the council operates, the significant size of the City Council's budget, notwithstanding the need to ensure value for money, the structure proposal is deemed affordable.

7.3.3 For information purposes, the total spend to date for the discovery phase 1 to get the Council to strategic outline business cases that back up a) the MTFP, b) the Delivery Plan and c) the proposals for change, as outlined within this report has been £1,141,320, with a further £2,622,999 for discovery phase 2. This second phase will take the Council to March 2021 with the production of final business cases (FBCs). FBCs will bring greater clarity around the substance of what needs to change, together with more detailed numbers in relation to both the benefits and the investment required to deliver the change. These FBCs will be reported in accordance with our constitution.

7.4 Procurement Implications (if required)

7.4.1 Procurement implications will be considered as the plans are developed into outline business cases.

7.5 Human Resources Implications (if required)

7.5.1 A JNC report will be discussed at JNC Paper on 28th January 2021

7.5.2 Organisational-wide HR implications will be considered as the plans are developed into outline business cases.

7.6 Public Sector Equality Duty

7.6.1 The Council has already committed itself to addressing structural inequalities, recently publishing "Everyone's Business, Everyone's battle" – a call to action for the Council and the City. In addition to tackling discrimination, our response must also be about re-doubling our efforts to understand and then tackle the root causes of those issues and features of people's lives that drive them to our services.

7.6.2 A full equality impact assessment under the Equality Act 2010 will be completed that considers the impact on all protected characteristics including all staff and service users who are part of the protected characteristics cohort.

8 Appendices

8.1 Appendix A: Investing in our Future - What Birmingham City Council needs to do next: 2021 to 2026

9 Background Documents

9.1 None