

Meeting Birmingham Independent Improvement Panel and Birmingham City Council

Monday 22 October 2018 11.30am to 1.30pm

Gowling WLG offices, Snow Hill, Birmingham

Attendees

Panel: John Crabtree, Chair of BIIP and the meeting; Frances Done, BIIP Vice-chair; Councillor Keith Wakefield, Panel member; Steve Robinson, Panel member; Sally Hammond, adviser to the Panel

BCC: Councillor Ian Ward, Leader of the Council; Councillor Brigid Jones, Deputy Leader of the Council; Clive Heaphy, Corporate Director Finance and Governance; Kate Charlton, City Solicitor and Monitoring Officer; Jonathan Tew, Assistant Chief Executive; Rob James, Acting Corporate Director Place (part); Kevin Hicks, Assistant Director Highways and Infrastructure (part); Phil Edwards, Acting Assistant Director Transport and Connectivity

MHCLG: Mary Stallebrass, Local Government Intervention Team

1. **Welcome and apologies:** John welcomed everyone to the meeting and noted the apologies received from Dawn Baxendale, Chief Executive; Alex Powell, Deputy Director, Local Government Stewardship; Clare Clark, Lead Local Government Intervention and Conduct.
2. **Minutes:** The minutes of the last meeting 24 September 2018 had been agreed outside the meeting to enable their swifter distribution and publication.
3. **Waste improvement planning:** Rob James provided an update about the significant changes that are affecting waste and street cleansing services. Key points included:
 - a) £3.2m savings on street cleaning have been delivered since 2013 and a further £1.5m is planned for the next 3 years;
 - b) Certain key services have been integrated;
 - c) The culture within street cleaning is better and improving, the teams worked through the strike last year;
 - d) The waste disposal service will deliver savings over the next 3-5 years and the Council is negotiating with Veolia to explore extending the current contract;
 - e) Clean streets and refuse collection are among the top priorities for local people and the service is sensitive to complaints and media attention;
 - f) The Council collects weekly from 360k properties, so it's a massive operation;
 - g) The reputation of the service and the Council suffered as a result of the strike last year;
 - h) The Council has been comparatively late in introducing charges for optional services, such as bulky waste collection, and the newness of the charging impacts on residents' perception of the service;

- i) The culture of the waste service is old-fashioned and still has characteristics reminiscent of features associated with the 1970s and earlier;
 - j) Since June 2018 the management team have been working more effectively together, with other corporate colleagues and with support from regional and local TU representatives;
 - k) TU and management relationships are being re-set and modernised and joint working parties involving both have been going through the service data together to review and agree how more efficient practices can be introduced;
 - l) Delivering the Memorandum of Understanding from 17 September and introducing the 5 day working week on 24 September involved completing a wide range of tasks, implementing changes to roles and delivering staff training;
 - m) With the agreement of the TUs 4 agency crews were engaged to cover missed roads in the first few weeks of MOU implementation;
 - n) Each person is working 5 days and no weekend overtime is being enabled so no overtime is being paid now;
 - o) There was and remains some resistance to change from a small minority of the workforce, but the majority positively wish to improve the performance, perception and reputation of their services;
 - p) There has been a performance dip, which was to be expected, since the MOU was implemented. Last week 104 per 100k roads/streets were missed. This compares to a national average of 83 and a BCC target of 52. By Friday performance had picked up again and fewer were missed, i.e. 41 streets;
 - q) The service still has a lot of work to do to modernise and build the confidence of elected members of all parties and residents;
 - r) The leadership team is convinced this can be done and the service teams are more rigorously monitoring performance, delegating ownership of delivery and savings and performance targets to depots, and encouraging a refreshed team spirit that is leading to different crews helping each other to ensure performance issues are tackled swiftly;
 - s) Sickness levels were expected to go up when the changes were implemented but they are better than last year, down from an 18 days average for the full year to 12 days now;
 - t) It is understood that there is structural underfunding of the service and this will be addressed as the budget for the coming year is rebased. So by April 2019 there will be a realistic budget.
4. Frances Done and John Crabtree thanked Rob James for the helpful update and suggested that the narrative should be shared more widely across the Council and the city so that more people might understand the progress that is being made and how the fresh leadership approaches are improving the situation. John Crabtree said that the importance of the service in impacting on the Council's reputation couldn't be overestimated. He continued, that local people and MPs talk all the time about the embarrassment of the city's filthy streets. So getting the narrative out to all elected members about what is being done to address the problems is vital. Cllr Ian Ward agreed and said BCC would need to get on the front foot with its communications about how it is improving the service. John Crabtree also said that the Council should give the

unions due credit where modern engagement and joint working is beginning to reap results.

5. Frances Done asked about the one-year review period that applies to the MOU. Rob James said that all the points in the MOU had been agreed with all the TUs and it had been fully implemented from September. In the next 12 months, Rob said, the service would need to continue to modernise and deliver its improvement strategies.
6. Cllr Keith Wakefield asked about the Council's recycling rates and Rob James confirmed 48% of waste is currently being recycled. This represents an improvement on previous results.
7. Steve Robinson asked how the Council is learning from the experience of the waste dispute and MOU implementation and applying such learning more widely.
8. Cllr Ian Ward said the main lesson BCC has taken from the experience is to engage the TUs earlier in the process and talk with them while strategies and plans are emerging. Rob James said it was vital to build trust and confidence. Steve Robinson suggested that he and Sally Hammond were due to meet Dawn Hewins and would raise with her whether the Council is embracing such learning and reflecting it in its latest strategic workforce plans.
9. Frances Done queried the scope for further reducing the cost of the collection while the Council couldn't explore shifting away from weekly collections. Rob James commented that the waste collection costs are now quite low when benchmarked with comparators. He said that another focus of the service's attention was to look at income-generating ideas, bearing in mind the income gaps created by the dramatic fall in prices of paper for recycling.
10. **Amey contract:** Kevin Hicks explained the background to the contract's problems, litigation and court judgements and set out what the Council and others are doing to seek to resolve the complex matters that remain. Steve Robinson and Frances Done asked questions about the financial risks that might apply and how these were being mitigated and managed. Clive Heaphy provided relevant answers and confirmed that it would be appropriate for the Panel to review the situation again in February/March 2019.
11. **Month 6 budget update and 2019-23 forward planning:** Clive Heaphy outlined the current year situation, which he described as 'steady' and 'relatively balanced'. He explained that the Council had introduced a recruitment freeze and that he, Dawn Baxendale and Dawn Hewins met as a Panel to consider exceptions to the freeze. He explained that CMT were reviewing a range of 'house-keeping' costs, such as use of taxis and meetings venues. He said he expected about £330k to £1m to be found from such savings. He said that the two intransigent overspend pressures continue to relate to Travel Assist and waste services budgets. Clive said that the former cost escalation related to growth in demand and that the issue was affecting many councils across the country. He said that legislation is preventing any short-term management of the increases in demand, but over the longer-term demand-management tended to involve reviewing where children are schooled. Waste overspends, he said, remains the other main budgetary pressure due to matters discussed earlier, namely, the fall in recycled paper prices, the delay in implementing the MOU and an understatement of the likely waste costs at the start of the year.
12. Frances Done mentioned the concerns she raised in the last meeting about the apparent continued use of unplanned reserves in-year and said she would discuss this and the latest financial reports with Clive separately.

13. In answer to a question from Frances Done about ACIVICO, Clive Heaphy confirmed that the overspends of £9m last year and potentially up to £4m this year were additional to the overspends he had just referred to. Frances Done said that it was vital that a public report about ACIVICO go to the Cabinet, setting out all the governance issues that have had to be, and still need to be, improved to deal with the problems encountered. She said that it was concerning to the Panel that the overall ACIVICO story, together with appropriate accountability considerations and related learning issues, had not yet been set out in a public report.
14. Clive confirmed that there will be further reports about Paradise Circus, and ACIVICO. Frances Done said she thought that these reports should be in public with only some elements of the context being privately reported where those specific matters met the criteria for private reporting. She said that these reports were tests of whether the Council was becoming less defensive, more transparent and willing to show how it was learning from past governance problems. Clive replied that both schemes had been the subject of public conversations and news reports so it would make sense to report the main elements of the history and learning in public, with only private appendices that set out the commercially sensitive information.
15. Frances Done said that the firm advice from the Panel was for BCC to get as much of its reporting as possible into the public domain to counter-act the continuing perception from a range of stakeholders that the Council is too secretive and defensive.
16. Clive Heaphy went on to outline the budget position for coming years. He described the medium-term budget as being nearly in balance now. He said that member and officer meetings were planned for the next two Saturdays and progress in identifying policy options would enable TU and public consultation to begin earlier than in prior years. He suggested that he would have conversations with the Panel offline to enable the Panel to scrutinise the new implementation plans and so assess the extent of BCC's rigour in setting the budget. Frances confirmed that the Panel will wish to also meet the people who are leading BCC's main modernisation projects.
17. Clive Heaphy said that he was sure that the right mechanisms – a Board and Programme Management Office - are now in place to ensure proper oversight, challenge, reporting and tracking of the budget, related implementation plans and targets. These, he said, had been lacking in the past.
18. Steve Robinson said that Clive's description of the changes was really encouraging. As was, he said, the mechanisms that Clive had put in place to enable 'invest to save' conversations. Some people in the tracer sessions, Steve continued, had expressed lots of ideas about how to improve outcomes and costs, but people had said they felt fettered in the past by there being only 'salami slicing' approaches to budget reductions.
19. **Nurseries service update:** Cllr Ian Ward updated the meeting about the maintained nurseries service.
20. **Commonwealth Games financial risks:** Frances Done asked when, if the Autumn budget statement confirmed the Government's position, BCC would be able to report the position relating to the Council's financial risks in relation to the Games in public. BCC said that this delay was due to the Government's insistence that the financial arrangements around the Commonwealth Games remain private. Frances Done suggested that this was another area where the Council should be transparent in its reporting without further delay through Cabinet to the Council and the public. To date a partial view of the information appeared to be coming out through interviews given to the media, which was not a satisfactory state of affairs. The Leader of the Council agreed

that the Council was looking forward to being able to discuss these matters openly, and Clive Heaphy said he expected to be able to report by Christmas.

21. **Monthly performance update and tracer sessions:** Jonathan Tew said that the reporting format is improving month on month and is now far less about providing a glossy narrative and far more about going into the reality of performance levels. He said that good progress is being made on priority service areas, such as adult social care, and some aspects of performance are not doing so well, such as Key Stage 2 results and staff sickness. He went on to say that in more recent performance reports even if the situation is deemed 'green' in terms of performance meeting stated targets for the RAG (Red, Amber, Green) rating, the narrative tells more of the story about where further improvement is needed.
22. Jonathan Tew continued to say that BCC officers had held helpful sessions with Sally Hammond and Steve Robinson about performance and the skills and homelessness 'tracer' programmes. Also that the performance team had received written summary advice about performance management from Sally Hammond which was proving useful. In the light of those conversations Jonathan said he planned to again take stock with Cllr Brigid Jones about how to further improve Cabinet performance reporting and BCC would seek before the next quarterly report to pick up as many aspects of the advice as they could. He said also that BCC intended to host another set of tracer sessions early in 2019 to which Steve Robinson and Sally Hammond would be invited.
23. **Corporate governance improvement plan:** Jonathan Tew referred to the updated report that had been circulated and confirmed that he was due to meet Steve Robinson and Sally Hammond to discuss any matters of progress and in particular to seek to agree with the Panel anything that BCC proposed to sign off as 'green' in the RAG ratings. He continued to say that BCC had initiated and planned a number of evaluations such as reviewing again member/officer relationships with INLOGOV to compare these to the findings from 2016. Jonathan said that BCC were working with the LGA on developing a kite-mark status for this work. There were, he said, back-office functions that still need to be addressed in order to drive further progress for some elements of the improvement plan.
24. Jonathan went on to say that it would be helpful to seek to get ahead of some of the governance issues because some of the things that Frances Done has raised today about transparency and reporting in public, opposition members and others also have raised.
25. **Member mentoring:** Cllr Ian Ward circulated the names of the mentors that have been agreed through the Local Government Association. He advised that Graham Chapman, who was his own mentor, will report to the Panel by March 2019 about the effectiveness of BCC's mentoring programme. Frances Done said that the Panel were interested to see how the learning and support from peer mentors could assist BCC's councillors.
26. Steve Robinson asked about the practical arrangements that were already in place for elected members who had been matched previously by the LGA mentoring programme. Cllr Brigid Jones said that meetings were adding value but it was difficult sometimes to get meetings in diaries as frequently as one would like.
27. **Member development:** Kate Charlton provided an update about BCC's member development strategy and the programmes to enhance learning and knowledge. She and Cllr Brigid Jones provided information about the cross-party member development strategy (advisory) group, chaired by the Deputy Leader. Kate Charlton said that CMT will be engaged in developing members' knowledge about priorities and the Legal, HR

and Policy teams will work together to support members to ensure they have access to skills-based development too.

28. Steve Robinson asked Cllr Brigid Jones if these changes were addressing the ambitions she had expressed previously for member development. Cllr Jones confirmed that induction and training for past cohorts of members had been non-existent and that since the new programme began in May there has been positive feedback from new joiners, some of whom were understandably overwhelmed by the amount they are being asked to do. So the issue, she said, is to keep up the momentum and enable the training to fit the development curve of new members, so that they can engage well and effectively use the available machinery to achieve the changes they came into politics to make.
29. **Local leadership and neighbourhood engagement:** Jonathan Tew explained that the consultation paper set out BCC's plans to devolve to the local level a number of leadership and neighbourhood engagement roles. The consultation feedback, he said, was supportive of the policy direction and for local implementation to be flexibly undertaken. A report will come forward in December.
30. Cllr Ian Ward said he had met with Sutton Council's Leader to discuss ideas about how to take forward implementation.
31. Frances Done said that the progress being made now was really encouraging, especially relating to the senior level coordination across the council with member engagement, and the leeway for flexible implementation. John Crabtree noted that follow-through would be vital, given that this was the Council's third look at the issue.
32. Jonathan Tew said that there were lessons from this for engaging with the voluntary sector, noting that in past years the Council's engagement with the sector had been compromised by how it undertook conversations about budget proposals.
33. **Production of report for Secretary of State in March 2019:** Frances Done said that the Panel would be meeting in November, then would have initial conversations with Dawn Baxendale and Jonathan Tew to consider how it and the Council might report again to the Secretary of State in March 2019. She suggested that the Panel and Council might usefully discuss the matter in more detail at the next meeting. She also noted that the Panel would be keen for any reports to set out BCC's progress since the 2018 *Stocktake* report, and also any residual risks that could apply from April 2019 and how the Council was planning to mitigate these.
34. **Noting any formal advice of the Panel:** Frances Done reiterated that the firm advice from the Panel was for BCC to get as much of its reporting as possible into the public domain to counter-act the continuing perception from a range of stakeholders that the Council is too secretive and defensive. She referred in particular in this meeting to the issues surrounding ACIVICO, the Paradise Circus scheme and the financial implications of the Commonwealth Games.
35. **Any other business:** Frances Done she said that the Panel is interested in how the Council is developing and making more robust its own self-challenge. She said the changes being made, for example, to the standards committee, are encouraging.
36. **Meeting close:** John Crabtree closed the meeting.
37. **Next meeting: 23 November 2018 12noon to 2pm.**

