



## **Draft Assessment of Birmingham City Council's Improvement Plan**

**For consideration at the meeting of the Panel on  
18 March 2015**

### **1 Background and context**

- 1.1 In December 2014 Sir Bob Kerslake published *The way forward: an independent review of the governance and organisational capabilities of Birmingham City Council*. Sir Albert Bore, Leader of Birmingham City Council, and the Secretary of State for Communities and Local Government had asked Sir Bob Kerslake to conduct the independent review. The Council was a willing and helpful partner throughout.
- 1.2 Alongside the recommendations in the Kerslake report relating to action Birmingham City Council should take, Sir Bob Kerslake recommended that the Secretary of State appoint an Independent Improvement Panel to work with the Council to provide robust challenge and support.
- 1.3 The Improvement Panel was set up in January 2015. Its members are John Crabtree OBE (chair), Frances Done CBE (vice chair), Cllr Keith Wakefield (Leader of Leeds City Council), and Steve Robinson (chief executive of Cheshire West and Chester Council). Lord Warner and Sir Mike Tomlinson, as children's services commissioners for Birmingham, are ex-officio members. Sally Hammond, currently Head of Sector Support and Information at the Audit Commission, is working with the Department of Communities and Local Government (DCLG) to provide support and advice to the Panel.
- 1.4 The Panel's terms of reference are in Appendix 1.
- 1.5 Sir Bob Kerslake recommended that, as next steps, by March 2015 Birmingham City Council (BCC) should produce a plan setting out how it will implement his recommendations. Additionally, he stated that the Independent Improvement Panel would provide its assessment of the plan to the Secretary of State.
- 1.6 BCC has produced its Improvement Plan, in line with the recommended timescale. The Plan has had more than one iteration and was amended after dialogue with the Panel. BCC has also provided to the Panel additional documents and information that support and dovetail with its Improvement Plan, including BCC's draft *Business Plan 2015+*.
- 1.7 While this report refers to the BCC's Improvement Plan, it is the intention of the Council that all elements of the Improvement Plan will be incorporated in the comprehensive Future Council Programme. This programme will be the Council's vehicle for delivering significant changes that are particularly relevant to the Panel's

assessments, monitoring and support. An extract explaining the scope of the Future Council programme is in Appendix 2. The Panel's monitoring of progress will therefore in future relate to BCC's implementation of its Future Council Programme.

## **2 The purpose of this report**

- 1.8 This report sets out the Panel's emerging findings and assessment of BCC's Improvement Plan, in the context of the other relevant supporting documents and the Council's implementation activity to date. It is intended to inform the Panel's discussions, and the Panel's meetings with Birmingham City Council representatives, on 18 March 2015 which will include meetings with the Council's leader, deputy leader and chief executive, and the Council's two opposition party leaders.
- 1.9 Following the meetings of 18 March, the Panel's assessment of BCC's Improvement Plan will be provided to the Council and the Secretary of State.
- 1.10 Further to the Panel's assessment of BCC's Improvement Plan, it will report progress of the Plan's implementation to the Secretary of State by the end of July 2015. The July report will include the Panel's assessment of the steps the Council has taken to implement the Future Council programme, engage the whole Council and deliver all the elements of the programme in a coordinated way.

## **3 Panel activity that informed this report**

- 1.11 The Panel is very grateful to Birmingham City Council for the information and assistance it has given to the Panel.
- 1.12 Since January 2015 Panel members have met with a wide range of BCC elected members and officers, and some of the Council's relevant partners and stakeholders.
- 1.13 The Panel has reviewed the documents BCC has provided, particularly BCC's draft Improvement Plan, and considered to what extent the Council's planning meets SMART criteria, as outlined in Appendix 3.

## **4 The Panel's emerging findings and assessment of BCC's Improvement Plan**

- 1.14 Below are outlined the Panel's emerging findings, referenced to the main headings in BCC's Improvement Plan. The Panel will discuss these with the Council on 18 March before finalising its conclusions and reporting its assessment.

### **(a) Support services**

- 1.15 BCC's Improvement Plan addresses the Kerslake recommendations relating to strengthening corporate governance and transforming support services, and those relating to the immediate issues facing Children's Social Care. The Improvement Plan outlines a proposal to completely redesign the Council's support services. It also includes provision for identifying additional senior leadership capacity to drive this forward.

- 1.16 The redesign of BCC's support services is being driven by the Interim Director Service Delivery and, since her recruitment, is proceeding at pace. This applies also to the work underway to address the urgent needs of the Council relating to recruiting and retaining children's social workers, which must be achieved ahead of the major corporate redesign of support services. Full details of this programme of work are being developed as part of the Future Council Programme and so are expected to be available by the end of April.
- 1.17 The timetable for this element of the Improvement Plan is an urgent one. This is reflected in the proposed timescales and the action that BCC has already taken to supplement existing managerial capacity. In addition to the relatively recent recruitment of the Interim Director Service Delivery a decision has been taken to employ two new senior interim managers working to her – one to deliver core business and one to deliver the transformation programme. This is a welcome decision because centralising support services is a major change programme being implemented at the same time as other major organisational changes are being planned and delivered. Some elements of the programme won't be achieved for some time. So there needs to be clarity very soon about the overall resource requirements for the longer term. Also decisions need to be made about longer term and permanent senior management capacity so that continuity and sustainability will be ensured. Progress on this is being made.
- 1.18 This element of the improvement work is high risk, given the nature of the change. The Panel will be very keen to see the costed and timetabled programme of work for the redesign of support services as soon as possible and will wish to be reassured that it will be resourced sufficiently. Given the nature of the financial challenges and further downsizing and transformation of services permanent leadership at Director level for this work needs to be recruited sooner rather than later, notwithstanding the confidence the Panel has in the current interim Director.

**(b) Combined Authority governance, skills partnership, senior post to lead economy work for BCC**

- 1.19 The Kerslake report recommended that BCC should work with other local authorities in the West Midlands to develop a Combined Authority. It also recommended that BCC should participate in the creation of a new locally led skill partnership vehicle focused on increasing employment and improving skills. Finally in this area it indicated that a senior post should be re-established to lead on the economic work of the Council and to release much needed capacity for the Chief Executive, who is currently responsible for this area of work.
- 1.20 All these recommendations are directly addressed in the Improvement Plan. As a result of discussions with the senior managers involved it is apparent that ambitious proposals are being developed for a Combined Authority, a joint economic development unit, a dedicated Economy Director post, and a new vehicle to drive skills and employment. It is acknowledged that plans are still maturing and the steps towards implementation need to be fully considered. The scale of this challenge is not to be underestimated. It will involve brokering relationships across local authority boundaries, navigating across a complex geography, robust analysis, and firm delivery plans. This represents a change programme in its own right and the Panel will welcome the opportunity to fully engage with the emerging detail.
- 1.21 Achieving an agreement about the new Economy Director, to be employed across two local authorities but in relation to the Local Enterprise Partnership, is a matter of some urgency in view of the pressures on the Chief Executive's time. However, it is encouraging that proposals are moving forward.

### (c) Organisational culture

- 1.22 The Improvement Plan addresses the Kerslake recommendations relating to organisational culture, including member/officer roles and responsibilities; the Council's approach to partnership; becoming a 'learning' council; and becoming a 'listening' council. More detailed plans are still in development because they form part of the Future Council Programme Plan, which will not be completed until April.
- 1.23 Planning this area of work is in the hands of the Interim Director Service Delivery and there is reason to have confidence that relevant actions will be effectively progressed.
- 1.24 When the full plans are available the Panel will be able to assess to what extent there is corporate understanding across BCC of the major tasks that will be involved in achieving culture change. Our initial discussions suggest that there is senior management buy-in to the programme. As mentioned in paragraph 1.17 there has been agreement to appoint an experienced interim as Head of Organisational Development working to the Interim Director Service Delivery and this person should be able to lead the programme's development and implementation from a managerial perspective. But energetic political support and ownership for the programme will also be essential if it is to succeed. There is a question to raise as to whether the Council's political leadership realises what a major programme of work this is. On a positive note, feedback suggests that amongst Cabinet members there is an appetite for ensuring political ownership and involvement, which the Council should harness.
- 1.25 There is an urgent need to ensure BCC benefits from relevant sector-led support that is available, including from the Local Government Association in relation to the governance and culture change elements of the Improvement Plan.

### (d) Strategic financial planning

- 1.26 The Improvement Plan addresses the Kerslake recommendations relating to robust financial planning of BCC's finances up to 2018/19, evaluating current policy choices, proposing further reductions in costs and measures to tackle levels of demand, involving partners and residents.
- 1.27 This area of the Plan forms an absolutely crucial element in the Council's ability to manage very substantial reductions in its budget between now and 2018/19 by transforming its approach to the delivery of its services.
- 1.28 As the Kerslake report made clear the financial challenge is very significant. Information supplied by the Director of Finance shows, in addition to previous budget reduction programmes up to and including 2014/15 which amounted to approximately £546m, the following budget reductions will be required:

Years	£	Comments and explanation
2015/16	105.4m	<i>This programme was approved by Council on 3 March but has to be delivered</i>
2016/17	166.7m	Annual reduction to be identified
2017/18	86.6m	Annual reduction to be identified

- 1.29 So a total of £253.3m revenue budget reductions (year on year) required are still to be identified in relation to the period 2016/18.
- 1.30 The Council's intention, as per its Plan is to develop a model of what the Council in 2020/21 will look like, taking account of the resource available, and to model options for getting from the current state of play to that represented by the '2020/21 future'.
- 1.31 This exercise, taking place between February and September 2015 will also involve preparing detailed options for budget reductions in 2016/17. The whole will be subject to publication in the autumn and consultation with partners (who will be crucial to future transformation of services) and the residents of Birmingham.
- 1.32 This programme is extremely ambitious but urgently necessary. There is clear financial management leadership for this work, but whether sufficient corporate management capacity is in place is, as yet, unclear (given the huge range of activity that the Chief Executive is leading on). Politically there appears to be good understanding of the task and ability to input and to oversee it by the Deputy Leader and Cabinet members. In his annual audit letter the District Auditor comments positively on the understanding and ownership of the financial challenges by leading members. However, it is going to take very firm political leadership in the autumn when what will be extremely difficult options have to be presented to the public and partners for consultation.
- 1.33 There must be a question about the capacity of the corporate management team to deliver a truly corporate review of the service transformation options, public consultation, and work with partners to deliver a timetabled programme of change which will deliver the best service outcome available given the required financial savings. The Council will need the support of external agencies to help deliver this programme especially from the LGA which can provide access to good practice in other local authorities and experience of service transformation. BCC has already engaged such assistance for children's and adult services and it now needs to extend this to cover the sourcing of assistance for other key elements of its programmes. The timetable outlined is very tight but necessarily so. The Panel will want to track this element of the Improvement Plan very closely. Indeed the Kerslake report recommended regular oversight by the Panel.
- 1.34 There are major risks in relation to the Council's financial position. These include delivering the 2015/16 budget reduction programme (£105m) and ensuring the funding of the equal pay claims, which will be closely monitored by senior management and members. Although the Council has a good track record of delivering budget reduction programmes, delivery of budget reductions is getting more and more difficult. In addition, risks relate to the task of delivering the 2020/21 service transformation programme and options for autumn 2015 and subsequent public consultation. The Panel will wish to monitor this closely.

**(e) Strategic planning and performance framework**

- 1.35 References and actions in the Council's Improvement Plan address the relevant Kerslake recommendations.
- 1.36 BCC's Improvement Plan contains commitments to deal with the multiplicity of strategies, plans and performance management processes by creating one set of priorities, one vision and one plan. There is mention of addressing the recommendations relating to simplification, creating clear lines of sight for accountability, and ensuring performance measures match priorities. Also there is mention of tackling, and ensuring clarity about, underperformance.
- 1.37 Further work is underway to develop more detailed plans and identify the capacity and accountabilities for all the tasks and roles to be undertaken. As part of its detailed

planning BCC is already considering, or should consider: whether the Council should explicitly aim to streamline its priorities, and monitor fewer of them; how the Leader's Policy Statement can be aligned; how members and partners will, or could be, involved in designing new strategic planning and performance management frameworks – to ensure ownership, buy-in and incorporation of local intelligence; whether, therefore, some members may need to attend training earlier than proposed to enable them to contribute to, agree to, and/or sign off new approaches to strategic planning and performance management; to what extent and how learning will be facilitated internally (from BCC services that manage performance well) and externally (for example, from Leeds and/or other councils); whether some capacity can be drawn together from decentralised services into corporate directorates, or otherwise whether there are any plans to enable greater integration of planning and performance management across the whole Council, while reducing duplication, confusion and competition; how BCC will improve the robustness and reliability of its data and incorporate local elected member and officer intelligence into planning and monitoring.

- 1.38 Overall, and subject to the next stage of detailed development and the issues listed above, the plans appear to be broadly clear and coherent. Many of the commitments in the Plan reflect the spirit, as well as the specifics, of the Kerslake recommendations. The Plan also reflects understanding about what constitutes good practice in strategic planning and performance management.
- 1.39 BCC appears to have struck the right balance between being ambitious about the changes it is planning, and realistic about the time that implementation and embedding of change will take. The sequencing of events appears to be appropriate and sensible. Some lead responsibilities and accountabilities for specific actions are clear.
- 1.40 In terms of key risks to implementation, these relate to political ownership and involvement, service directorate buy-in and ownership, partnership alignment and engagement.
- 1.41 The Panel is therefore keen to explore how ownership from elected members and partners will be secured, and how ownership and buy-in across all service and central directorates will be ensured. The Panel is also keen to understand better how all the changes will be led, and by whom. Also who will take responsibility for implementing each of the key elements of the programmes, including how capacity and capability will be drawn together from BCC service directorates, other councils, partners and other relevant stakeholders, to achieve synergy, buy-in, ownership, partnership alignment and engagement.
- 1.42 The top level timings are clear. More specific timescales will apply to more detailed plans that are yet to be developed. It will be important to understand how these detailed plans will be implemented in practice.
- 1.43 The overall planning assumptions and commitments appear logical and sensible in terms of chronological order. For example, it seems to make sense to plan to undertake a light-touch review of performance management by April 2015, with a commitment to design a new framework for winter 2015 implementation. But if there are services where performance management is currently particularly poor or under-developed or problematic it might make sense to address these earlier on. This opportunity to prioritise has been raised with BCC.
- 1.44 If new work programmes are to be developed, it might make sense perhaps to incorporate from the start best planning and performance management practice. Again, the opportunity to do this has been flagged with BCC. As has that it may therefore be sensible to train and develop some staff and members sooner, rather than all together and later. BCC will review the potential for this, as it continues to develop its detailed plans.

- 1.45 The Panel will be exploring in more depth with BCC how it will define and measure the success of its new approaches to both planning and performance management. Also it will seek to understand how BCC will identify rapidly and continuously what is working well, and where remedial action is required, in terms of implementing its new approaches and frameworks.
- 1.46 The Panel will be keen to explore how BCC will disseminate learning and good practice as implementation is rolled out – including how it will learn from BCC services that manage performance better than others.
- 1.47 At a later stage BCC's plans for ensuring ongoing continuous improvement of its planning and performance management frameworks will be of interest to the Panel – to ensure BCC keeps up to date with emergent developments and opportunities.

**(f) Member and executive responsibilities for human resources and employment**

- 1.48 The actions in the Plan relating to member and executive responsibilities for HR/Employment respond to the relevant Kerslake recommendations.
- 1.49 It is encouraging that the Council has accepted in full the Kerslake recommendations as regards member roles and responsibilities and changes were implemented from 3 March. The effects of these changes are:
- To ensure that the Deputy Leader will have clear accountability for strategic workforce matters, referring decisions to Council Business Management Committee or Cabinet where appropriate and limited to matters relating to terms and conditions of employment of staff;
  - The Employment and HR committee will be discontinued;
  - The Chief Executive will have delegated responsibility for HR matters relating to all staff except Chief Officer related staff; and
  - Member involvement in detailed HR matters will be limited to employee dismissals.
- 1.50 This is a big step forward and means that BCC's approach to these issues is now consistent with other large councils. The changes enable executive action by the Chief Executive to address staffing issues and this is essential in a modern council. This should speed up recruitment, aid retention and enable the Council to develop its strategic workforce plan in the timescale required. This significant change was communicated to all BCC staff by the Chief Executive on 9 March.
- 1.51 In relation to the changes needed for Executive HR, work has started on the actions in the Plan and these address the relevant Kerslake recommendations.
- 1.52 The Council has a great deal to do to address immediate workforce planning, recruitment and retention issues, especially in relation to the children's services directorate. But it is clear from discussion with both the Strategic Director People and the Interim Director Service Delivery with responsibility for HR that these are now being vigorously addressed. Lord Warner will express his views on the current state of delivery around this when he attends the Panel meeting. Developing a strategic workforce plan is a major piece of work. Again, those leading the work are clearly experienced and likely to be able to deliver it effectively, given the support and leadership of the Chief Executive. However to be achieved successfully there has to be Council-wide corporate buy-in which will need vigorous engagement by the corps of senior managers. A senior interim HR specialist is being brought into the organisation

from 9 March to support the interim Director Service Delivery on this element of the work.

### **(g) Elections/boundaries**

- 1.53 A key recommendation of the Kerslake Report that the Council should change to all out elections every four years has been responded to by the Secretary of State who has announced that this will take place in May 2018.
- 1.54 The Boundary Commission timetable for deciding on the overall size of the Council (currently 120 members) has been determined and BCC must submit its views to the Boundary Commission by 22 May 2015.
- 1.55 The Chair of the Panel and Frances Done met with the Chair and Vice Chair of the Boundary Commission on 9 March and discussed the timetable leading up to an Order being laid in May 2016. The Boundary Commission is encouraging the Panel to submit its view, if it wishes to, on the issue of the number of members, by the end of May.

### **(h) Devolution and community governance**

- 1.56 There is a dedicated section of the Improvement Plan which relates to this area of the Kerslake recommendations.
- 1.57 The Kerslake Report recommended that the Council should establish a new model for devolution, focus on getting basic services right, and organise them in a way which is most efficient. It advised that councillors should concentrate on direct engagement with people and develop their community leadership role, the Council's scrutiny arrangements should be reviewed and the Council's ten District Committees should not directly manage services or budgets. The Council has already acted on the recommendation to remove District Council service management budgets and this will be operational from 2015/16.
- 1.58 In relation to the wider developments around community governance the Council has recently published the first of a series of planned consultation documents about the future community leadership role of councillors, asking a series of questions about future arrangements.
- 1.59 The consultation paper expresses clearly the aspirations of the Council:  
*'One key lesson is that we must start from a focus on the communities and individuals the council is here to serve, rather than our internal bureaucracy. Community governance is not an 'add-on' to the organisation – it is about the spirit and manner in which we operate. This time we must ensure there is a "whole council change" in which all parts of the organisation are focused on local places and all our staff and councillors believe in working with communities to achieve results, rather than delivering top-down standardised services.'*
- 1.60 However, it is questionable whether these potentially major changes are being worked on on a 'whole council' basis. It is doubtful many members have been involved in discussions about it, in either the controlling group or opposition. The development work behind the consultation paper seems to have been confined to a small group of officers and members.
- 1.61 While the Council is at a consultation stage and nothing yet has been set in stone, this does not seem an appropriate way to go about a successful development of a new approach to community governance and devolution. We understand that the next stages will take place soon after the elections but there is little time for the

management team as a whole to be engaged, let alone members across all parties by then. There is a risk of these developments taking place in isolation from other interdependent strands of the Improvement Plan and it would seem advisable for these to be progressed on a timetable consistent with other significant changes. This would enable the Chief Executive to oversee the whole process of development, and ensure that all members are engaged, before the Council decides its approach for the future. These decisions will also need to be aligned with decisions about the 2020/21 Future Council.

## **(i) Redefining BCC's approach to partnership and developing a City Partnership**

- 1.62 The Kerslake report was very clear that BCC needed to redefine its approach to partnership with the intention of developing with its partners a shared mission for the City and of operating with openness, transparency and becoming a truly collaborative, listening partner. The report suggested that the Council should facilitate the creation of a new City Partnership group which would approve the new long term City Plan and be used to hold all involved in delivery of the Plan to account. The Improvement Plan addresses these issues, but inevitably the way in which BCC goes about implementing them is crucial to success.
- 1.63 Work is being undertaken to establish what partnerships are already in place and to identify which of these work well, and which don't, and why. The Chair of the Panel is actively involved in supporting the Council in developing this work and in planning for an event at which, as a first step, these developments can be discussed with a wide range of partners.
- 1.64 The Panel is aware of a very large number of organisations across the City, all of whom are enthusiastic to be involved and play their part. However, it is apparent that key steps need to be taken to ensure that these initial developments are successful. In particular, there is a need for visible political leadership so that the plans engage widely and in a quite different way from in the past. Secondly, there is an urgent need to learn from the experience of other authorities in developing coherent and respected partnership arrangements. A wider message has also been obvious in discussions about these very important developments and this is that BCC needs urgently to prepare and communicate a clear and compelling narrative for how it is responding to the Kerslake recommendations, as part of a wider communication strategy.

## **5 Views from BCC Children's Services commissioners**

- 1.65 A member of the Panel has met both the children's service commissioners. Their views have been sought and both have been invited to attend formal Panel meetings. Panel members have received copies of the commissioners' recent reports.

## **6 Conclusions**

- 1.66 The emerging findings of the Panel members have been outlined above and provide some encouragement as to progress. Early implementation of some aspects of the Plan, for example, in relation to the changes made in relation to the Council's arrangements for handling employment and HR matters are also encouraging. The

Improvement Plan, on the whole, addresses the recommendations of the Kerslake report and is a reasonable basis for moving forward.

- 1.67 However, whilst there are some 'green shoots' to demonstrate progress the much more difficult task of implementation lies ahead. During the examination of the Improvement Plan Panel members identified, in discussion with the Council's senior managers, some key risks to implementation. These are outlined below and it would be appropriate for these to be discussed with the representatives of the Council attending the meetings with the Panel on 18 March. This will enable the Panel to gauge the Council's response to these issues, and evaluate whether the initial views of the Panel members about the risks to implementation are justified.

### **Political leadership for the Improvement Plan**

- 1.68 Successful implementation will require effective political leadership for all aspects of the Plan, for example, in relation to the City Partnership developments where the enthusiasm of the Council's potential partners needs to be matched by the Council's own leadership.

### **The involvement of all councillors and political parties**

- 1.69 The Kerslake Report makes clear that the Council needs to change its corporate culture to change the way it does business with its partners and those it serves, including the City's residents. It needs to be a listening and learning council, replacing insularity for a willingness to learn from others
- 1.70 For this to be achieved all 120 City Councillors need to be involved and the positive contribution of the opposition parties should be both welcomed and expected. The level of involvement of individual councillors outside the leadership in the development of the Improvement Plan has so far been limited. In moving to the implementation stage the Council must enable the active engagement of all Councillors who have much to contribute.

### **Senior management capacity**

- 1.71 The Kerslake Report was very clear about the need for the Council to address the senior management capacity to ensure that the Chief Executive has the senior managerial support needed to play his corporate leadership role effectively. Taken together the Improvement Plan involves major change across all aspects of the Council's operation and at the same time the Council has to continue to deliver vital services to the public.
- 1.72 Panel members have been encouraged by the decision to bring in experienced interim managers into senior roles to help the Council make progress. However, capacity is remains extremely stretched and there is a severe risk to the delivery of the Improvement Plan if the Council does not also address for the longer term the need for permanent senior managerial capacity appropriate to the size of the organisation and the task. All directorates and services of Birmingham City Council must be engaged in cross-Council cultural change and service transformation, led by the Chief Executive. His ability and commitment are not in doubt, but the Council will risk failure if it does not recognise the need for enough skilled and experienced senior managers.

### **The interdependence of elements of the Improvement Plan**

- 1.73 The Improvement Plan is inevitably divided into different elements which address the Kerslake recommendations. However, there is a serious risk that the interdependence

of these elements will not be sufficiently recognised and this is evident from some of the time-scales planned, which may be overambitious. For example, important aspects of the Community Governance and devolution developments cannot sensibly be considered independently of the major piece of work being undertaken to develop a long term financial strategy which will involve quite fundamental service transformation. This issue needs to be addressed in the finalisation of the Future Council programme plan and it may require some elements of the plan to take longer but with a benefit to overall coherence.

### **Development of the Council's long term financial strategy**

- 1.74 The Improvement Plan commits the Council to the development of a long term council and financial plan for 2020/21 that sets out the future role and operating model for the Council. This will take account of the major and very significant further budget reductions that the Council must find to align expected revenue with expenditure in the years up to 2017/18. It is apparent that both the political and managerial leadership of the Council understands the importance of this work and is actively engaged with it. There is recognition that the very substantial expenditure reductions required can only be delivered by fundamentally changing the relationship between the Council and its partners and residents. At the same time the Council is having to manage a major budget reduction exercise arising from the recently approved 2015/16 budget as well as sourcing the funds to pay its equal pay liabilities. The Panel will need to pay particular attention to this element of the Council's Improvement Plan in 2015/16.

### **Communications strategy**

- 1.75 It is very clear that, despite the current difficulties faced by the Council, Birmingham has many strengths and that there is a real pride and passion felt by its residents for the City of Birmingham. There is a risk that with the necessary focus on the Improvement Plan and the fundamental changes needed, the Council will fail to communicate the positive aspects of what is happening in the City and to engage successfully with its residents and partners. It will be helpful to discuss with the Council the view that priority should be given to developing a proactive communications strategy, including a consistent and compelling narrative about how the Council is responding to the Kerslake Report.

## **7 Next steps**

- 1.76 It is recommended that, subject to views expressed at the Panel's own meeting, the issues and key risks to implementation raised above form the basis for the discussions with Council representatives on 18 March. This will enable the Panel to establish whether its emerging findings are justified, and to take account of the Council's views before a final decision is made as to whether to sign off the Council's Improvement Plan. Discussions will also inform the Panel's view as to whether there should be any conditions attached to the sign off.

**John Crabtree**  
**Chair**

**13 March 2015**

## ***Appendix 1 Panel terms of reference***

### **BIRMINGHAM INDEPENDENT IMPROVEMENT PANEL TERMS OF REFERENCE**

The Secretary of State for Communities and Local Government has established the Birmingham Independent Improvement Panel to provide support and challenge to the City Council as it undertakes the measures necessary to secure the improvements needed if it is to effectively and efficiently deliver local public services for all the City's communities, give value for money for local taxpayers, and promote growth and wellbeing across the City.

The Panel will therefore:

- Sign off the City Council's Improvement Plan, prepared in response to the recommendations in the Kerslake Report;
- Provide challenge and advice to the Council – its members and officers - as it follows its improvement journey in response to the Kerslake Report, particularly in relation to its timely implementation of that Report's recommendations;
- Provide a forum in which the City Council can be publicly held to account for the progress it makes; and
- Provide a report in December 2015 to the Secretary of State on the progress the City Council is making, and such other reports as the Secretary of State may request.

The Panel will comprise a Chair, a Vice Chair, and two other members, all of whom are to be appointed by the Secretary of State with the agreement of the City Council. In addition, any children services commissioners appointed for Birmingham will be ex-officio members of the Panel.

The Panel's working arrangements will include monthly meetings (which may be closed or open to the public), and quarterly meetings to be open to the public. The Panel may invite members and officers of the City Council, and such other persons as it considers appropriate, to attend any of its meetings. Panel members individually may work with particular members or officers on particular matters.

The Panel will be supported by a secretariat provided jointly by Birmingham City Council and the Department for Communities and Local Government. The Panel's expenses will be shared equally by the City Council and the Department.

## **Appendix 2 The Future Council**

**The Future Council work programme is set out in BCC's Business Plan 2015+ as follows**

### **THE FUTURE COUNCIL**

We are in a period of unprecedented change for local government, for Birmingham City Council and its partners. This is the end of local government *as we know it*, and the start of a new form of local public services. We see Birmingham at the forefront of the development of a new model for local government. A summary of our intent is set out in Annexe 1.

As part of our planning, we've incorporated the findings of Government reviews over the last year, including:

- Ensuring Birmingham children are safe and well protected
- Improving our support to schools, including ensuring good governance
- Improving the governance and organisation of the council.

Specific 'action plans' to address the recommendations of each review have been published, are being implemented and will inform our design for the future council.<sup>3</sup>

We recognise that, taken together, these long-standing issues and others (such as the severe financial challenge facing public services) mean that we need to develop a new way of working for Birmingham in partnership with other public services, sectors and local communities and the wider region.

We are therefore radically changing how we work with local people and partners to take forward the city vision. We are developing our approach which will be delivered by the Future Council Programme.

During 2015, we will actively engage with local people and partners to develop:

- The future role of the council and its relationship with partners and local people to deliver services innovatively and cost effectively in communities
- Clarity on the purpose and vision for the council itself and a sustainable future operating model and an outcomes-driven financial plan for the next five years
- Clear values for the way all our staff and members work together and with partners and communities
- Improved alignment of resources, policy-making, service delivery, governance, roles and responsibilities
- Sufficient senior leadership capacity to transform the organisation and deliver sustainable change.

## What will this look like in practice?

This work will lead to changes for the Council including:

<b>Roles, responsibilities and culture</b>	Recognition that our own behaviour needs to change.
	A solutions-focused, 'can do' attitude to the challenges ahead.
	Deliberately creating a more positive narrative for the council and the city.
	Transparency in decision making and willingness to listen and act on feedback.
<b>Strategic planning</b>	Taking a long term planning view (through to 2020/21) while recognising the detailed plans will be subject to review and refinement.
	Willingness and resolve to have one council plan and one set of priorities based on outcomes - and to make some difficult decisions.
	Openness to new ideas, creativity and innovation - a shared desire to think beyond current constraints and boundaries.
	Constructive challenge and collaboration across the senior officer and member team.
	Conscious acceptance and commitment to adjusting the Business Plan mid-year, if required.
<b>Workforce planning</b>	A clear purpose and operating principles to guide the workforce plan.
	Ruthless determination to address the immediate recruitment and retention issues.
	Challenge to the status quo by recognising and acting on the leadership imperative.
<b>Devolution and local delivery</b>	Working across parties and sectors to focus on what is best for the city and the council.
	An outward looking approach and curiosity about the opportunities from a regional model.
	Use of robust data analysis and intelligence to inform plans and decision making.
	Putting in place the right support and development that enables members to fulfil their roles and operate as community leaders.

<b>Communities and partnership</b>	A city vision that brings together shared interests and focuses on what is best for the city and our residents in the long term.
	A concept of partnerships that goes beyond the traditional and offers equity and an open door for dialogue.
	A willingness from the council to let others take the lead where it delivers better outcomes, and to recognise what part it can best play.
	Collaboration, commitment and full engagement of partners and communities.
	Clarity and consensus on the purpose and role of the city partnership group and vision linked to the macro outcomes for the city.

### **Appendix 3: Assessment approach**

To enable the Panel to collate its emerging findings and assessment, each Panel member provided their findings, emerging conclusions, and draft assessments relating to their specific areas of responsibility, as well as BCC's plan overall.

Panel members noted, for example, positive signs, anything the Panel should be able to endorse and further encourage, barriers, risks or concerns that could slow things down or hinder improvement, etc.

To report their findings, conclusions and assessment some Panel member used the following headings to address the key question: Is BCC's Improvement Plan SMART?

**Specific** – e.g. Does the plan adequately/comprehensively address Sir Bob Kerslake's recommendations? Is the plan clear and coherent? Does it fit well with BCC's wider objectives, plans, priorities, policies and strategies?

**Measurable** – e.g. Does the plan identify what will change as a result of any activity, and what 'tests' or definitions of success will be applied to delivery of the recommendations and their relevant outcomes and impact? Are accountabilities for delivery clear?

**Ambition and Achievability** – e.g. Does the plan strike the right balance for being both ambitious and achievable? i.e. Is it sufficiently stretching, challenging and aspirational? Is it seeking to ensure improvement and impact at pace? Yet is it realistic enough to ensure effectiveness, sustainability and sensible sequencing? Achievability will relate also to the extent to which the plan is effectively led, 'owned' by those with a contribution to make, and embedded.

**Resourced** – e.g. How confident is the Panel about whether the planned changes are appropriately resourced? Is the right capacity and capability already in place, or is the Panel confident it will be, to enable effective delivery and success?

**Timed** – e.g. Are the timelines and milestones clear and appropriate?