

Cllr Sir Albert Bore
Leader of the Council
Birmingham City Council
Council House
Victoria Square
Birmingham
B1 1BB

Sent by email

23 March 2015

Dear Albert,

Birmingham City Council Improvement Plan

Thank you for meeting with the Panel on 18th March to discuss the Council's Improvement Plan. We were also pleased to meet separately with Councillor Robert Alden, the Leader of the Conservative Group, and Cllr Tilsley, the leader of the Liberal Democrat group.

The Kerslake Report made clear that the serious issues being addressed by the Council are deep-rooted and not the product of a single administration. The Panel believes that the actions now planned to address them need to be endorsed and actively supported by all political parties represented on the Council and I am pleased that our meetings with all of the Council's party leaders provided assurance about that.

The Secretary of State has charged the Panel with the responsibility for signing off the Council's Improvement Plan. The Panel has undertaken meetings with a very wide range of senior politicians and managers, the Council's auditors, and a number of the Council's partners. We have also met with the Council's two children's services Commissioners, Lord

Warner and Sir Mike Tomlinson. We have been very grateful for your personal cooperation with our work and that of the Chief Executive and his staff for enabling this process and for their open approach and constructive cooperation.

We are pleased that the Improvement Plan forms a core part of the Council's Future Council Programme which is currently being developed in some detail. We recognise that this programme goes beyond the Kerslake recommendations and will provide a sound basis for the Council to achieve its ambition to deliver a changed council role and relationship with the city's residents and its partners. The Panel will be exploring in more depth with BCC how it will define and measure the success of all its programmes and ambitions. Also it will seek to understand how BCC will identify rapidly and continuously what is working well, and where remedial action is required, as it implements its new approaches and frameworks.

We have concluded that, taken overall, the Improvement Plan is a reasonable basis on which the Council should proceed. We are encouraged by some early progress in key areas, for example the decision taken to enable the strategic responsibility for workforce planning and HR to be vested in the Cabinet and to bring Members' roles in workforce issues into line with good practice elsewhere in local government.

However, whilst there are some 'green shoots' to demonstrate progress the much more difficult task of implementation lies ahead. Our meeting on 18th March was a good opportunity to discuss with you and your colleagues the potential risks to implementation and my comments below have taken account of the information and assurances you provided then.

Political leadership for the Improvement Plan

Successful implementation requires effective political leadership for all aspects of the Plan. You have assured the Panel that you will provide strong political leadership as the Council moves to implementation. We discussed the particular importance of this in relation to the City Partnership developments. These are at the early stages but we have seen the evident enthusiasm of partners across the city to get involved and to work collaboratively with the Council to develop a City Vision and become active partners across a range of areas. Your positive contribution to demonstrating a shift in the Council's approach to how it will engage with partners, and your presence at events which are crucial to these developments, will be welcomed by all potential partners.

Involvement of all Councillors and all political parties

As the Kerslake Report makes clear the Council needs to change its corporate culture in order to transform the way it does business with its partners and those it serves, including the city's residents. You have accepted the importance of becoming a listening and learning council, collaborating readily with others across all aspects of the Council's business.

For this to be achieved all 120 City Councillors need to be involved and a 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.

However, you explained to the Panel the steps you have recently taken to ensure the future involvement of every councillor, and the two opposition leaders, as the Council moves forward. We are encouraged that you have established a cross party working group to support and monitor the implementation of the Future Council Programme. If this group operates in a way that facilitates transparency, dialogue and an opportunity for all participants to contribute effectively, we expect constructive involvement from the opposition parties. The Panel has received assurances from the respective party leaders about this.

Senior management capacity

The Kerslake Report was very clear about the need for the Council to address the issue of senior management capacity to ensure that the Chief Executive has the 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 council services. We have been encouraged by the decision to bring in experienced interim managers into senior roles to help the Council make progress and we fully support this move. However, capacity remains extremely stretched and there could be 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.

We discussed this issue with you and were reassured both by the Chief Executive's actions underway to review the management resources and skills required for the future Council and by your support as leader for making the changes needed once identified. Your visible support for the programme and for ensuring it is appropriately resourced is essential to

enabling all directorates and services of the Council to be engaged in cross council cultural change and service transformation, led by the Chief Executive. We also discussed with Cllr Alden and Cllr Tilsley the importance of cross party support on this issue and the Panel's expectation that they will be involved in discussions about it, and lend their support.

The interdependence of elements of the Improvement Plan

The Improvement Plan is inevitably divided into different elements which address the Kerslake recommendations. We discussed with you 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 over ambitious. For example, we consider that important aspects of the Community Governance and devolution developments should not 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. These developments affect all services, across the whole Council and our concern is that the Community Governance and devolution proposals appear to be being developed as a quite separate strand. You have assured us that this is not the case and that you are also ensuring that the opposition leaders and all members are being involved in these important developments and allowing sufficient time for that process. However we would urge the Council to address this issue of interdependence carefully in its finalisation of the Future Council Programme. This may well require some elements of the plan to take longer, but with the benefit of greater overall coherence.

Development of the Council's long term financial strategy

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. The Panel recognises 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. The Panel will pay particular attention to this element of the Council's Improvement Plan in 2015/16.

Communications strategy

The Panel 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. As the Kerslake report states 'Birmingham is a great city'. We discussed with you the risk that with the necessary focus on the Improvement Plan and the fundamental changes needed, the Council may fail to communicate the positive aspects of what is happening in the City and to engage successfully with its residents and partners. We suggest that priority should be given to developing a proactive communications strategy which will form part of the Future Council Programme.

The Panel is pleased to sign off the Improvement Plan in the context of your firm assurances about the action the Council will take in relation to the risks we discussed. We will work with you over the coming months to monitor progress of the Future Council Programme and in so doing will provide support wherever we can. We will be reporting on the Council's progress to the Secretary of State in July.

Kind regards

Yours sincerely

A handwritten signature in black ink, appearing to be 'J R A Crabtree', written over a horizontal line.

J R A Crabtree
Chair

Cc Cllr Robert Alden, Leader of the Conservative Group
Cllr Paul Tilsley, Leader of the Liberal Democrat Group