

December 2015

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# Progress Report on Kerslake Recommendations



## Foreword

This is a report to the people of Birmingham from its political leaders. As the leaders of all three of the political groups represented on the City Council we jointly endorse the messages it contains. These are messages of progress as well as admissions of things not yet achieved. We all commit to working together to achieve the further changes required.

It is our shared belief that, as shown in this report, the City Council the City Council is turning a corner and has increased the pace of change to start creating the excellent council you deserve in the years ahead. We have laid the foundations and we are determined to finish the job of improvement.

But restoring the City Council's reputation as a leader in local government will require much more than one year of work on specific recommendations. We are all fully aware of the scale of the challenges facing the organisation and the need for truly radical change if those challenges are to be met. This means we need to plan for the long term and commit to a consistent and sustained process of change over the years ahead.

The Forward Together 2020 Vision published last month and debated at the City Council helps to start the conversation about what the future council might look like. Of course, as different political parties we will have different ideas about how we can achieve this; but, as the council debate showed, there are many key principles that we can all agree to.

We all accept that drastically reduced resources mean that the organisation must be significantly smarter in the years ahead and we agree that this means a shift from an all-purpose council to a more strategic one, influencing and working with many other service providers. We are each committed to creating an organisation that works in partnership with others with the purpose of empowering communities and supporting greater independence for residents.

A number of "Taking the Council to the People" events were also held during November, to gather initial views on the future council. This is only the start of the process of debate that will take place in the months and years ahead. This is your city council, so as *your* council, we want to design it *with* you and not just deliver it *to* you.

Above all, we recognise that realising this vision will require a profound change in the culture of the City Council, the way in which we operate and the values and ethos that we bring to our roles. We aspire to a culture of openness, honesty and engagement in which a good councillor and a good officer is one who understands the aspirations and ideas of those outside the organisation and helps them to achieve them. We must focus on what we are trying to achieve together, not on the internal concerns of the organisation.

With your support we are all confident that we can now go forward together to achieve what we all want for Birmingham.

A handwritten signature in black ink that reads "John Clancy". The letters are cursive and fluid.

Cllr John Clancy, Leader of the Labour Group and Leader of the City Council

A handwritten signature in black ink that reads "Robert Alden". The letters are blocky and somewhat stylized.

Cllr Robert Alden, Leader of the Conservative Group

A handwritten signature in black ink that reads "Paul Tilsley". The letters are cursive and fluid.

Cllr Paul Tilsley, Leader of the Liberal Democrat Group

## **Purpose of this document**

In September 2014, Birmingham City Council and the Department for Communities and Local Government jointly commissioned Sir Bob Kerslake to assess the corporate leadership and management of the organisation. The report, published in December 2014 made a number of recommendations and it was agreed that the City Council would produce a progress report after twelve months. It also established an Independent Improvement Panel to provide support and challenge as we responded to the recommendations.

This report fulfils that agreement and provides details of the progress that we have made in responding to the recommendations over the last year.

It is intended as a public report, to enable residents and others with an interest in the performance of the City Council to assess our progress. A public meeting is also taking place on 14 December, at which the Improvement Panel and the public will be able to question the council's leadership on this report.

## Summary

Lord Bob Kerslake published his conclusions on the council's corporate governance in December 2014. Following this an Independent Improvement Panel was set up to monitor the council's improvement plan. It has worked alongside the council throughout the year and they have written to the Secretary of State three times on our progress. It will be writing to him again in January 2016. The Panel's letter will set out their opinion on the changes that the council has made, and what they think should happen in the future.

As a council, we have recognised the points that Lord Kerslake made in his report and accepted that we needed to make some fundamental changes. The focus for action in the first year was to establish a firm foundation for transforming the way that the council operated in 5 key areas – leadership and strategy, financial and performance management, organisational culture, size and structure and relationships with partners and communities.

As well as creating the action plan in response to Kerslake, we also created our Future Council programme, a much broader approach to changing the way that the council works.

### Our progress overall

The Improvement Plan set out 134 actions. 82, or 61% of those have now been achieved and 17 are in progress and on schedule (13%). Eleven actions (8%) were not due to have started yet. However, 21 (16%) have seen some slippage and 3 (2%) that were due to start have not yet started. These delays are due to issues such as needing decisions on the budget, some work needing external expertise because we don't have sufficient experience within the council, or because of delays in other areas of the programme.

Overall we believe this is a creditable record of achievement, especially given the pressures that the City Council is operating under. The Council's leadership has said that it believes sufficient progress has been made to give confidence that the City Council can take forward further improvements through the local leadership and partnership arrangements that will be in place by March 2016.

### Our progress in detail

#### **Governance, roles and responsibilities (recommendation 3)**

In 2014, staff took part in a series of 'Big Conversation' events to discuss the Council's purpose, values and future and agree new core values and expected behaviours. We also created a councillor development programme which so far has seen 80 councillors attending development sessions.

We have simplified our planning framework for this year. The political and officer leadership have worked together to agree 'design principles' for the organisation. A discussion document that outlines a vision for what the Council will look like in 2020 has been created, further informed by a series of "Taking the Council to the People" roadshows which completed in November. The document was discussed at the Full Council meeting on 1<sup>st</sup>

December and councillors of all parties agreed that they will work together on the long term vision for the council.

Recommendation 3 refers to the creation of a 'city plan', and gives this remit to 'an independent Birmingham leadership group' (recommendation 8). At present we don't have an agreed plan or vision for the city as a whole, but are working with partners towards achieving this.

The Integrated Support Services (ISS) Programme is looking at the Council's internal services that manage the day to day tasks behind the scenes to keep the council running. It's about making services more efficient by removing steps and processes that waste time, effort or result in a poor customer experience. We now have a model for how Support Services should operate and at the end of the detailed design stage we will have a firm view of the costs to get to this new way of working and the savings that it will generate in future.

#### **Boundary Commission review (recommendation 4)**

We have supported the Commission in conducting its review throughout. Stage one has been completed with the recommendation to reduce the size of the City Council to 100 councillors in 2018 when the first four yearly all-out elections will take place. All of the party groups have made detailed submissions to stage 2, looking at the new ward boundaries and a shift to mainly one and two member wards. The recommendations on this are expected imminently.

#### **Managing finances (recommendation 5)**

We have been working throughout the year to create a financial planning process that is linked to our future vision for the City Council and will give us a clear financial outlook to 2019-20. The work on the future operating model links closely to the budget and business planning processes. Using "demand management" as a way of redesigning services is one of the key 'design principles' for the Future Council.

During spring of this year, we developed a bespoke methodology that allows us to look at our services from a demand management perspective. This generated over 230 ideas to manage demand and reduce cost. These have been grouped into the following themes for the draft business plan and budget consultation about to be launched.

- Preventing family breakdown
- Maximising independence for adults
- Sustainable neighbourhoods
- Economic jobs and growth
- Workforce
- Cross cutting

## **Human Resources (recommendation 6)**

The role of councillors in HR matters has been clarified, with their responsibilities now focusing on final dismissal appeals and the appointment of Chief Officers and Deputy Chief Officers. New whistleblowing processes were rolled out across the Council in the summer of 2015.

The HR management team has been restructured and a workforce plan has been created that supports and aligns with the work being undertaken to create a future operating model. There is now a recruitment and retention strategy in children's social care that specifically addresses the use of agency staff. A light-touch review of performance management arrangements was carried out and a performance improvement plan was drawn up. There will be a further review of performance systems later in 2016, when the future operating model is agreed.

## **A new approach to devolution (recommendation 7)**

The role and remit of District Committees was amended as the result of a cross-party Community Governance Review process launched in September 2014. This moves them away from service management to a new role in community leadership and challenge. We have also moved away from formal ward committee arrangements to a more informal approach based around the idea of a ward forum. The number of city-wide Scrutiny Committees was reduced to five, also following a review by a cross-party councillor working group.

District Committees also have responsibility for producing a Community Plan in conjunction with local residents and local partners. They are also developing Neighbourhood Challenges – a focus on one area of their community plan that they feel is of greatest importance.

## **Birmingham leadership and a city plan (recommendation 8)**

During the year we have been working with partners to develop a new approach to city wide partnership working that focusses on collaboration and relationships across all sectors and communities and developing a whole system view and approach to public services.

An initial Steering Group has merged into the new Birmingham Partners organisation with the motto "share, learn, do". This is not a Council 'owned' body (although we are a member of it) and it aims to provide us with access to a 'network of networks'. We look forward to working collaboratively with them on a wide range of issues.

## **Redefining the partnership approach (recommendation 9)**

We are working on an approach that will incorporate our council values into how we work in partnership with other organisations. Birmingham Partners are developing a clear statement and set of values for what partnership working should look like. This will be used to help inform our approach to partnership working.

### **Working with a Combined Authority (recommendation 10)**

On 6<sup>th</sup> July, a proposal was submitted to government setting out the geography for the West Midlands Combined Authority (WMCA). WMCA sees Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton councils working together with neighbouring district and county councils and the three Local Enterprise Areas (LEPs) of the Black Country, Coventry and Warwickshire and Greater Birmingham and Solihull.

The shadow board of the WMCA was announced on 24<sup>th</sup> August, with Cllr Bob Sleigh (Solihull) as Chair and Cllr Darren Cooper (Sandwell) as Vice Chair. On 28<sup>th</sup> October, the shadow board submitted a Scheme for the Combined Authority. On 17<sup>th</sup> November the West Midlands Combined Authority signed a proposed devolution deal with Government, worth £8 billion pounds overall to the West Midlands region.

### **An employment and skills partnership in East Birmingham (recommendation 11)**

The East Birmingham Employment & Skills Board was established early in 2015. However, as Hodge Hill District was in the process of approving a jobs and skills plan for the area and appointed a local champion for employment and skills, so the two pieces of work were linked from the summer of 2015, to ensure that there was a real local focus and ownership.

The role of the Employment and Skills Board, working alongside Hodge Hill District, will be to link up the range of public, private and voluntary sector organisations, with a focus on getting local people into local jobs. The Board have agreed with Hodge Hill District that they will use the Employment and Skills framework created by the Greater Birmingham and Solihull LEP and plan for the work in Hodge Hill to be used as a pilot project.

## **Section 1 - Overview**

### **Background**

Last year, a very senior civil servant, Lord Kerslake, came to Birmingham to carry out a review into the way the council is run. His final report made 11 recommendations which he said would improve the council's leadership and effectiveness. One of these recommendations was that an Independent Improvement Panel should be set up by Government to monitor the council's improvement plan. The Panel met for the first time in April to formally sign off the council's improvement plan. It has worked alongside the council throughout the year, holding 2 public meetings in June and September where the council's leadership answered questions from the Panel and the public about the changes it had been required to make progress. The Panel has also written to the Secretary of State 3 times this year and will be writing again to the Secretary of State in January 2016. Its letter will give a view on the extent to which the council has improved, as well as advising on what should happen in the future.

### **What we wanted to achieve**

As a council, we have recognised the points that Lord Kerslake raised in his report and accepted that we needed to make some fundamental changes. The action plan that the council created set out how we planned to make those changes. The focus for the action plan in the first year was to establish a firm foundation for transforming the way that the council operated in 5 key areas – leadership and strategy, financial and performance management, organisational culture, size and structure and relationships with partners and communities. The plan also showed how we intended to prioritise the work we needed to do, as we knew that we were tackling long-standing issues and that problems would not be fixed overnight.

As well as creating the action plan in response to Lord Kerslake's recommendations, we also launched our Future Council programme. Future Council is a much broader approach to changing the way that the council works. Birmingham is changing as a city, the way people live their lives is changing and the council has to change to reflect this, as well as dealing with the effects of recession and the reductions in funding from national government. It seemed sensible to combine both of these pieces of work into one programme for change that looked at everything we do 'in the round', so that we could make fully informed decisions about where we go next as a council.

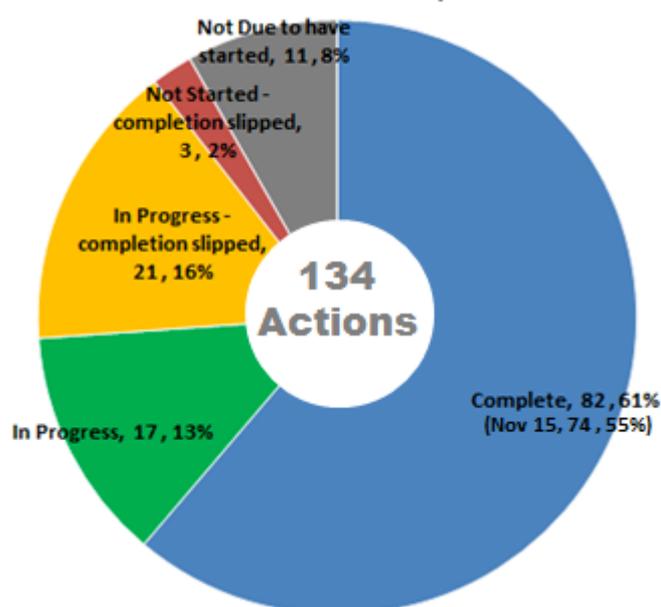
This report does not cover the progress of the wider Future Council programme, but concentrates on the progress made with Lord Kerslake's recommendations.

For further details on the work of the Improvement Panel, previous reports and the Future Council programme, please click [here](#)

## Overall Progress

Of the 134 actions in the Improvement Plan, 82 are complete and 17 are progressing to the original timescales expected. There are 11 which aren't due to have started yet, which leaves 24 actions behind schedule. These are all shown on the chart below.

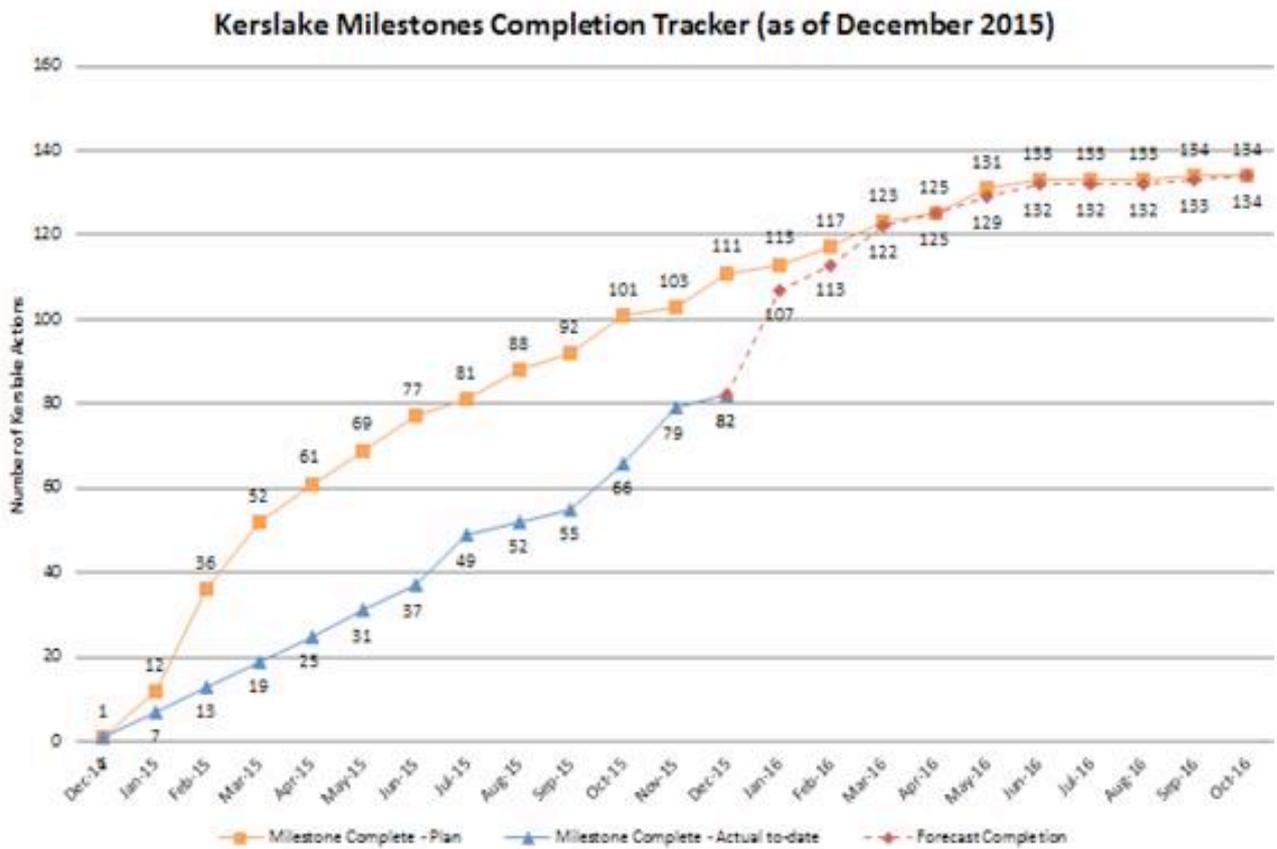
Kerslake Action Plan Milestones - Status (as of December 2015)



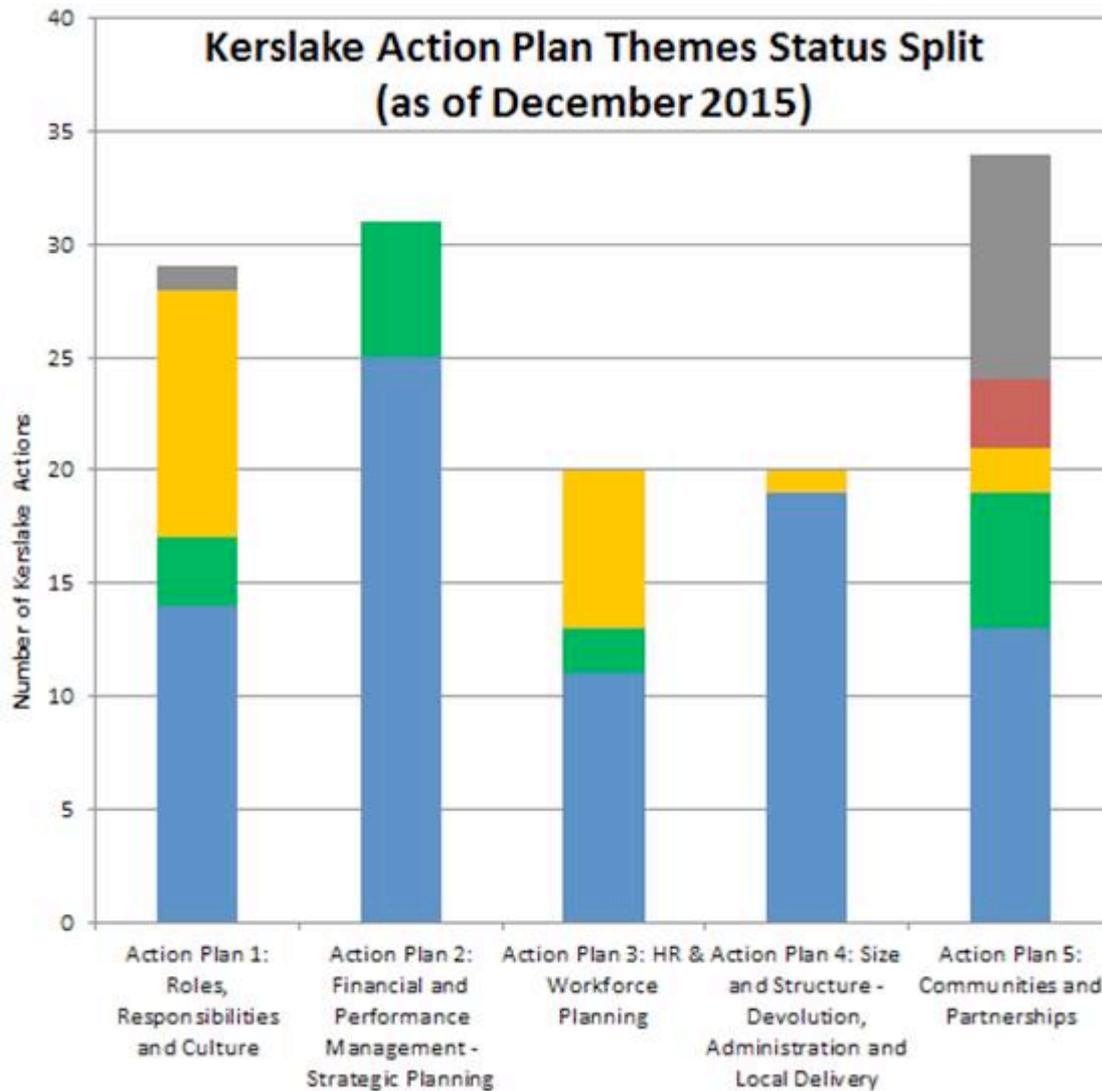
The reasons some actions behind are:

- Extra effort is being taken to ensure that the changes we need to make are properly planned and embedded
- External expertise has been sought to help us do something well, where we might not have the experience within the council
- We are trying to do something more (and better) than the original action specified, but this means it's taking longer to complete
- A decision, meeting or agreement is needed about the approach to take as there are various options and we want to make sure that we choose the best one
- A decision is needed about how best to finance work that is needed, as there are budget restrictions
- There's a dependency on another area of work which has a delay
- And some things have simply taken longer, for example because of delays to recruitment into jobs, things that needed to be double-checked or changes within the organisation.

Work is going on to resolve these issues swiftly. This chart shows the estimated dates and numbers as red diamonds. The blue triangles are the actions completed and the yellow squares indicate the planned dates.



The chart on the next page shows the areas of work which are complete and those which are behind schedule. It shows that the work around improving planning and administration has gone well, whilst the difficult areas of altering long-held behaviours and culture, the big changes that need to be made within our workforce and operations, and the work outside the council involving partner organisations have been slower to progress.



**Legend:**

- TBC
- Not Due to have started
- Not Started - completion slipped
- In Progress - completion slipped
- In Progress
- Complete

**Key:**

- TBC = To be confirmed
- Not Due to have Started = Action not started, but not due yet
- Not Started – completion slipped = Due date gone and action yet not started
- In Progress – completion slipped = Due date gone but action in progress
- In Progress = Action in progress and due date not arrived
- Complete = Action completed

## **Section 2 - Progress Against Each Recommendation**

### **Recommendations 1 and 2**

**Recommendations 1 and 2 relate to the responsibility of the Secretary of State to appoint the Independent Improvement Panel, and the requirement that this panel should present a report to the Secretary of State in December 2015. The Panel's report should assess the council's progress in**

- a) implementing the recommendations from Lord Kerslake's report**
- b) setting a budget for the 2016/17 financial year**

As already stated, the Panel has been appointed, has been working with the council, and will continue to do so until March 2016. This report is the December report referred in the recommendation, and the Panel will write to the Secretary of State itself in January 2016.

### **Recommendation 3**

**Birmingham City Council's governance needs to be reset in the following ways:**

- a) the council needs to clarify roles, responsibilities, behaviours and expected ways of working in relation to the Leader, Cabinet, councillors, Chief Executive and officers. The strategic, executive, independent scrutiny and community roles of councillors needs to be clearly defined and better supported including with appropriate training. The council also needs to ensure there are shared expectations of capacity, capability and how performance will be measured between members and the senior officer team**
- b) Birmingham City Council should develop a simplified planning framework, this should flow from the City Plan (see recommendation 8 below)**
- c) in order to achieve strong corporate governance and coordination of the council's required transformation, support services such as finance, performance management, Human Resources, IT and property should be managed corporately. The corporate centre should be strengthened to enable this to be done effectively and provide greater support to the Chief Executive and his team. A senior post to lead the economic work of the council should be re-established to effectively carry out this role and at the same time to provide the capacity needed for the Chief Executive to play his corporate leadership role**
- d) there should be a programme of culture change that is owned by both councillors and officers.**

### **Roles, Responsibilities and Culture Change (3a & 3d)**

The Future Council programme has a work stream called 'Forward' (formerly Forward the Birmingham Way) which has 3 clear objectives:

- To focus on everyone involved directly with the council – our staff and our politicians, making sure that they understand what is expected of them and how they should work together
- To drive culture change throughout the council – ensuring that we do the right things in the right way
- Making sure we have the right workforce plans so that the council can work differently as we adapt to the changes around us

The lead officer for this programme is Alistair Gibbons (Executive Director, Children's Services) and the Cabinet Members working closely with him are Cllr Ian Ward and Cllr Stewart Stacey.

In 2014, staff from all areas and grades took part in a series of 'Big Conversation' events which actively discussed the council's purpose, values and future. These events have continued throughout 2015, and the feedback has been used to agree new core values and expected behaviours for council staff, which are reflected in the current appraisal system for everyone. These values are

- we are true to our word
- we put citizens first
- we achieve excellence
- we act courageously

Our Corporate Leadership Team (CLT) – which includes the Chief Executive and Strategic Directors – have all undertaken a 360 Review (which asks people inside and outside the organisation to rate an individual's performance) so they can better understand how they work together and what they need to do differently. The rest of our senior managers have also all undertaken a 360 Review, and we are using the results from these sessions to create individual development plans as well as more general leadership learning and development programmes for all of our managers, which will be in place from January 2016. These reviews and development programmes will form part of the culture change work, helping us to create an environment where staff understand what is expected of them.

We've also been working with our councillors. With help from a range of partners including the Local Government Association (LGA), and informed by a survey of our councillors' requirements, we created a councillor development programme. The programme is built around 4 key areas -

- induction processes for new councillors that explain how the council works,
- ongoing development for current councillors to help them in their role,
- specific training on good community governance and scrutiny practices (further details can be found under Recommendation 7)
- Councillor / office relationships.

So far, 82 of our councillors have signed up and attended development sessions that have covered a variety of topics such as best practice for scrutiny, community engagement, using social media, partnership working and how local government finance works. We are taking feedback from councillors attending and will be looking at what else we need to include in future, including more tailored development sessions for more experienced councillors. 17 councillors have also signed up for the LGA Academy Leadership Essentials courses (these are offered to councillors who are cabinet members / committee chairs or opposition leads). Members of the Cabinet have had their own 360 Review sessions, and we will be offering 360 Review to all councillors from January 2016 onwards. Following on from their 360 Reviews, we will be working with councillors to re-visit our values and behaviours from a councillor perspective, so that they better reflect the role of councillors and external partnership working.

INLOGOV at the University of Birmingham have been working with our councillors and with officers, to look at how the councillor-officer relationships currently work in all areas of the council and what needs to change. We are expecting the results of this work in January, and will build it into the wider culture changes we are making to the organisation.

Culture change is a very difficult thing to achieve for any organisation, and our culture will continue to develop and alter as the organisation makes adjustments to the way that it works, the kind of workforce it requires and the things that it delivers. By establishing values, behaviours and development programmes we can be clear about what the organisation expects from staff and councillors, and use that as a building block for how we want the organisation to be in the future. 10 councillors have volunteered to help us to further develop our culture change strategy and plan, and this work, together with that underway with staff, will continue through the final quarter of 2015/16. We will be monitoring progress through the staff survey, through attendance levels at development sessions, further Big Conversation events and the results of 360 Reviews and the research with INLOGOV. All of these things will be used to develop future strategies and plans that support the wider changes being made by the Future Council programme.

### **Planning for the Future (3b)**

We have simplified our planning framework for this year. The political and officer leadership have worked together throughout the year to agree a proposed vision for how the council should operate, and 'design principles' to guide the reshaping of the organisation - ie what are we going to look like as a council in 2020, and what are the key rules that will shape how we get there. The work on the vision and design principles have fed into how we have approached the development of a the council of the future - which begins to set out how we can get from where we are now to the kind of council we want to be in 5 years' time.

The Council's Cabinet have produced a discussion document – Forward Together 2020 Vision - to start a conversation about what the council will look like in 2020, taking into account comments from previous budget and business plan consultations and a citizen's panel in September. Many of the key points in that document were reinforced through the "Taking the Council to the People" roadshows in early November, which Cabinet Members took part in. The document was also discussed at the Full Council meeting on 1<sup>st</sup> December. Councillors of all parties agreed on some of the key principles – that the council faces

significant financial and organisational challenges and as a result will need to be much smaller, much smarter, more strategic and must get much better at working with partners and other service providers, and will also need to make difficult decisions about the services that we continue to deliver. The three group leaders have agreed that they will work together on the long term vision for the council – so whilst there may be political differences about the way in which we make changes for 2020 (and beyond), everyone agrees that changes have to be made, and that we need to think about the long term as well as the short term. We see the Forward Together 2020 vision as our contribution to an ongoing, wider discussion about the future of the city, as well as the council. We want to involve you - our citizens and our partners - in the debate, and shape the future of the council and the city together for everyone's benefit.

By working towards a 5 year, long term outlook, we can also ensure our policy decisions can be linked directly into how we are making financial decisions about the future – by understanding the take-up and use of services, who uses them and what people really need, we can change how we interact with people, how we plan and manage our services and what we actually provide – and therefore, how we can manage our finances better as less money is available to us (see recommendation 5 for more detail on how we've been doing this). It also means that we have a policy plan and a financial plan that link together now and in the future – meaning that we have an agreed base to work from for the whole council. The next steps will be embedding the design principles and development work around the council of the future into business planning for each of our directorates (and making sure that we don't disrupt the work with our other commissioners in social care and education).

Recommendation 3 refers to the creation of a 'city plan', and gives this remit to 'an independent Birmingham leadership group' (recommendation 8). At present we don't have an agreed plan or vision for the city as a whole, but are working with partners towards achieving this (see recommendation 8 for further details). Part of this work involves looking at how our immediate public sector partners are planning for the future and sharing our plans / learning from their experiences, so we have a better idea of what public services will look like for the city, which will form a key part of a wider city plan or city vision.

### **Support Services and the Corporate Centre (3c)**

The Future Council programme has an integrated support services work stream, which has been looking at:

- Redesigning support services so that they better help the council deliver its priorities and its front line services
- Ensure our support services work well together and that they are as efficient and effective as possible
- Enable staff, councillors and citizens to do things for themselves wherever possible

The work is led jointly by Sarah Homer (Interim Director Service Delivery) and Jon Warlow (Director of Finance). The Cabinet Members working closely with them are Cllr Ian Ward and Cllr Lisa Trickett.

The Integrated Support Services (ISS) Programme is looking at the Council's internal services that manage the day to day tasks behind the scenes to keep the council running.

Like any business the council has to ensure is financially sound, has fit for purpose technology, manages and looks after its staff properly and remains legally compliant. When we talk about Support Services we mean services like our Finance, IT, procurement, property, Human Resources, Audit and Legal and customer services functions.

To achieve efficiency we need to get council staff to do more for themselves. By integrating all the support service teams we will create a cost effective business support service that can react flexibly to changes in ways of working across the Council.

Over the past year, the work stream has

- Worked with services to look at how they would need to be organised in future to work differently, what technologies they might need and how we make it as cost effective as possible. That way we can prioritise our spending on more front line services
- Talked to the services to make sure that the future design will work and continue to keep the council safe and well managed.
- Talked to the front line services to understand what they need from support services and how, where and when they will get it in future,
- Looked at how we make sure that we can still support front line services effectively when they need support for a special project or plan, like the Children's improvement plan, and
- Looked at how we can improve our processes to make things work better.

The process improvement method we are using is called Lean. It's about making services more efficient by removing steps and processes that waste time, effort or result in a poor customer experience. We have started the first 3 projects using the lean method and have more planned. One of the first projects has been looking at Benefits and how we make the process of claiming benefit more efficient as we know it's one area where we get a lot of customer calls, and we want to get the service right.

In the process of running these Lean projects we are also training council staff in the Lean skills and methods. This means that in future the council will have more staff with the additional skills to look for other opportunities to keep removing waste and inefficiency and improve things for our citizens.

We now have a model for how support services should operate, and the benefits that it could bring financially and for people using the service. We have also identified ways to make the governance stronger around support services so it's managed effectively and consistently from the top.

This model establishes the overall approach and now we have to work through the detail, determining

- What new services will look like, the levels of service they will offer and how the processes in the services will be changed and managed to be more efficient.
- What technology tools we need to drive these changes and more self-service.

At the end of the detailed design stage we will have a firm view of the costs to get to this new way of working and the savings that it will generate in future. We will also have decided what level of service we will provide internally to our front line services and what they can expect from us.

Details on the senior economic role for the council can be found on under Strategic Capacity on p29.

#### **Recommendation 4**

**The Secretary of State should move Birmingham City Council to all out elections replacing the current election by thirds. In the interest of effective and convenient local government the Local Government Boundary Commission for England should conduct an Electoral Review, that reflects existing communities, to help the council produce an effective model for representative governance. It should aim to complete its work to enable elections by May 2017.**

The Parliamentary order for the council to move to all-out elections has been passed. The Secretary of State took the decision that the first all-out election should take place in 2018. The Boundary Commission is in the process of conducting an Electoral Review. The first stage of the review process, where the council submits a case to the Commission on the number of councillors (referred to as 'Council Size') has been completed, and the Boundary Commission has recommended that Birmingham should have 100 councillors. The Commission consulted on the second part of the review, which looks at ward boundaries, over the summer. Members of the public and councillors were able to send in their suggestions to the Commission, and the Commission will report back with their initial proposals on 15<sup>th</sup> December. You will be able to comment on these proposals before the Commission makes their final recommendations next spring.

#### **Recommendation 5**

**Birmingham City Council needs, as a matter of urgency, to develop a robust plan for how they are going to manage their finances up to 2018/19 without recourse to further additional funding from central Government. This should:**

- a) evaluate current policy choice and propose significant further reductions in costs and measures to tackle levels of demand;**
- b) involve residents and partners;**
- c) ensure that the council regularly reports on progress to the Independent Improvement Panel.**

Throughout the year, the work on the council of the future which links closely to the budget and business planning processes, has been led through what we have internally called the Council Operating Model work stream of the Future Council programme. This work stream aims to

- Redesign how we deliver services
- Understand the demand from our service users and look at what drives it

- Look at how we can work with partners to deliver services differently

The work is being led by Peter Hay (Strategic Director, People), working closely with Cllr Tahir Ali, Cllr Brigid Jones, Cllr Penny Holbrook and Cllr Paulette Hamilton.

One of the key 'design principles' for the Future Council is the use of demand management as a way of redesigning services. For us, demand management means understanding the reasons for the levels of take-up and use of our services, understanding who uses our services and finding out what people really need. This changes how we interact with people, how we plan and manage our services and what we actually provide.

During March, April and May of this year, we worked with iMPower consultancy to develop the approach that would allow us to look at our services from a demand management perspective. The workshops were focussed around customer groups eg Older Adults, Special Educational Needs and Vulnerable Young Adults, Vulnerable Children and Young People, and Businesses and were attended by staff who deliver services to those groups irrespective of where they are in the council. The focus on customer groups meant that we could think about how different people use the whole of the council in different ways, rather than just focussing on individual service areas. The workshops looked at understanding demand for services, what levels of demand existed and how we could work to change demand for the better.

The workshops generated 236 possible ideas about ways to manage demand and where possible, reduce cost. Each of the ideas was looked at in more detail by the operating model team and by staff in finance, human resources, policy, equalities and legal as well as in service areas, and then discussed with the political leadership. Those that were felt to be workable were then pulled together into major themes for further work, to complete by 2020. These are:

- Preventing family breakdown
- Maximising independence for adults
- Sustainable neighbourhoods
- Economic jobs and growth
- Workforce
- Cross cutting (i.e. mainly changes to the 'back office' but also includes our proposals to change the council tax support scheme and local welfare provision)

Each of these programmes has been independently reviewed to check our thinking against the demand management methodology that we developed and to ensure that the financial targets were demanding but achievable. The council's budget proposals for 2016-17 have been constructed around the results of this work, as has the long term financial plan.

Residents and partners have been involved with this work, and will continue to be involved into the future. In November we held 11 workshops as part of the "Taking the Council to the People" Roadshow, which had a direct focus on what citizens wanted the city to be in 2020 and beyond and how this could be achieved in the face of very significant financial challenges. The workshops also tested out some of our broad thinking of how things had to

change in the four of the major themes that directly affect citizens (prevent family breakdown, maximise independence of adults, sustainable neighbourhoods and economic growth and jobs). All of the feedback from these sessions has been considered in preparing the council's 2016+ Budget and Business Plan consultation, which starts on 9th December. You can read the report from the Roadshow events [here](#)

There have also been some specific, more formal events engaging with partners. The Chief Executive hosted an evening event in September, at which 30 partner organisations attended (both public and private sector) to discuss our emerging thinking around the demand management approach. In January 2016, we will be meeting with the Police and Fire Service so they can share their experiences of implementing a demand management approach to services with us. As part of the Outward Looking Partnerships work stream of Future Council (see recommendations 8 and 9), there have been less formal discussions with a wide range of partner organisations which have covered our emerging thinking about the changes we are making.

As mentioned above, the 2016 Budget and Business Plan consultation starts on December 9th and runs until January 8th Further information about planned events and how you can get involved can be found [here](#)

There continues to be a focus on the development of ideas about the council of the future, which will be the means by which we deliver the vision and outcomes for 2020. This will take into account all of the work that has taken place throughout the year, and the feedback from engagement events and the budget consultation, with the aim of having the future model ready by April 2016. This will show what the organisation will look like, how it will work with other organisations in the city and what people, processes and technology we need to make it happen.

## **Recommendation 6**

**Birmingham City Council should strengthen their Human Resources (HR) function in the following ways:**

- a) the strategic role of workforce planning and HR should be vested in an existing Cabinet member. The Cabinet should not delegate this role. Members' role in workforce issues, beyond the Cabinet, should be limited to scrutiny, appeals and the appointment of the Chief Executive, Strategic Directors and Directors. The Cabinet should ensure strategic workforce planning supports the council's priorities;**
- b) the whistleblowing processes that are being put in place in the child safeguarding service should also be mirrored in the councils other services;**
- c) BCC should appoint a senior person to lead people change and workforce planning. This individual should be responsible for the development of the workforce plan the Leader has stated is needed, revising existing HR policies and, with the corporate leadership team, ensuring these are applied**

- corporately. The workforce plan should be informed by the strategic plan for the future operation and size of the council;
- d) as part of the simplification of the overall corporate planning framework, the responsible Cabinet Member, Chief Executive and the corporate leadership team should be responsible for delivering the council's priorities by ensuring a clear line of sight from the council's strategic priorities, annual business planning and the performance management system;
  - e) Lord Warner has highlighted the acute problem in frontline social care. BCC is still relying on too many expensive agency staff. The workforce plan needs to explore if there are similar gaps in other frontline areas and, if so, cover how they will recruit and retain permanent staff.

#### **Role of Cabinet Members in HR Procedures (6a)**

The HR portfolio is currently the responsibility of the Deputy Leader. The role of councillors in HR matters has been clarified and formalised, with their responsibilities now focusing on final dismissal appeals and the appointment of Chief Officers and Deputy Chief Officers

#### **Whistleblowing (6b)**

New whistleblowing processes in-line with the recommendations made for Children's Services were rolled out across the whole council in the summer of 2015, with the introduction of the council-wide Whistleblowing & Serious Misconduct policy. The new policy applies across all Council services and has been used effectively, with a planned review at the end of its initial year. Proposals for three-monthly reports to the Chief Executive / Chief Officers and six-monthly reports to the Deputy Leader continue to be implemented, with the next 6 monthly report due in January

#### **People Change and Workforce Planning (6c, 6e)**

Interim leads for HR and Organisational Development have been in place since April with recruitment to permanent positions scheduled for January 2016. The HR management team has been restructured, and appointments made at Assistant Director level to cover HR Strategy and HR Operations Management for the organisation. A workforce plan has been created that supports and aligns with the work being undertaken to create a future operating model, analyses our current workforce characteristics, and sets out a strategy for the future that is based on HR's understanding of the current budget proposals and what it will mean for the workforce of the council, and the longer term future operating model and future vision work. There are plans in development to ensure each service area of the council has a workforce plan that is aligned with their financial plans for 16-17, which will be clear about permissions regarding use of agency staff, casual workers, and consultants. There will be more work to be done, but the workforce strategy is now on hold until we have completed the budget consultation and the high level future operating model has been agreed, so we can ensure that it links in properly.

There is now a recruitment and retention strategy in children's social care that specifically addresses the use of agency staff. Overall, use of agency staff on the front line in children's social care has fallen. We now have a single agency that we use, and we have committed to offering training to agency staff that join us – so we can be sure of the quality of staff that we are employing and confident that they understand our way of working. Our retention rate of

full time staff has improved, and we have managed to recruit more staff to permanent positions this year. It's important to point out that in areas like social care where there is a shortage of trained social workers, we will always need to have an option to use agency staff to make sure that our service is safe, and we want to make sure that those agency staff are the best.

The other area that currently relies too much on agency staff is Fleet and Waste. There is a plan to address this, and we are in the process of recruiting to 118 permanent frontline positions, which will help resolve issues around productivity and service delivery.

### **Planning Framework and Performance Management (6d)**

A light-touch review of performance management arrangements was carried out earlier in the year, and a performance improvement plan was drawn up. Work is ongoing with directorates, senior management and the Executive to improve performance management arrangements.

- 'Performance on a Page' documents for Strategic Directors and councillors giving them 'at a glance' performance information have been created and will be rolled out shortly
- An exercise is currently being carried out to map directorate and corporate performance management arrangements to ensure they are aligned, add value and remove any duplication.
- Corporate performance reports are being reviewed to ensure the right, and only the critical, elements of strategic performance are captured in the future reporting arrangements. This should enable better strategic decisions on key performance matters to be made more quickly.
- The Future Council programme has an evaluation framework which measures the impact of the changes we are making and whether things look and feel different to residents, councillors and staff. This is included within the corporate performance management system.
- Our performance measures for 2016-2017 are in the process of being agreed by Cabinet Members and Chief Officers, and there is a clear link to the council's priorities and the changes being made through the Future Council programme
- Specific training sessions with the LGA have been arranged for councillors on performance management processes and better understanding performance data from a Birmingham perspective. These sessions will be delivered in February.

There will be a further review of performance systems later in 2016, when the future operating model is agreed.

### **Recommendation 7**

**Birmingham City Council should establish a new model for devolution:**

- a) **the council needs to focus on getting basic services right, including getting on with improving children and education services. To do so, services should be organised in the way that is most efficient for that service, where appropriate these services should draw on the quadrant model to help align planning and resources with other agencies (see chapter 1, paragraphs 37-38);**

- b) the 10 District Committees should not be responsible for delivering services or managing them through Service Level Agreements. Instead, if they are to be retained, they should be refocused on shaping and leading their local areas through influence, representation and independent challenge of all public services located in the District, including those of the council;**
- c) the Districts should be provided with a modest commissioning budget to purchase additional services that help meet local priorities. Services commissioned will not necessarily need to be managed or provided by the council. They will need to effectively manage their own finances and meetings must be open to the public and outside of the town hall;**
- d) the number of city-wide Scrutiny Committees should be reviewed in the light of this and potentially reduced to no more than 3;**
- e) councillors should concentrate on regular, direct engagement with the people and organisations in their wards and role as community leaders.**

Within the Future Council programme, this recommendation falls into the Political Governance work stream. This work is being led by Jon Warlow (Director of Finance) and Ifor Jones (Service Director, Localisation). The cabinet member working closely with them is Cllr John Cotton.

#### **The shape of Services at Local Level (7a)**

One of the chapters in the Council Business Plan for 2016+ will focus on the council's vision and intent in shaping a "neighbourhood offer". Our focus over the last six months has been in relation to implementing changes as agreed in the Improvement Plan to neighbourhood governance. This includes the changes to the remit of district committees, ward committees, community leadership, making the necessary constitutional, policy and structural changes to bring this about as well as a development programme to enable this shift to embed and commence delivery of outcomes such as community planning and neighbourhood challenge (3b and 3c). This has seen work to institute a Parish Council by 1st March 2016 for Sutton Coldfield, following the completion of the council's Community Governance Review, through a Reorganisation Order. Within the scope and work plan for the Future Council political governance sub programme is a commitment to looking at how neighbourhood delivery across public services can most effectively be modelled on an area basis to enable and facilitate an improvement agenda in relation to a number of services.

Between January 2016 and April 2016 the council alongside partners will begin to explore the potential boundaries and approach for how this could be delivered looking at a range of options for how better service integration, shared assets, collaborative working, early intervention in line with the councils emerging operating model and potentially emerging public services operating model. This will enable the approach to be rolled out during the new financial year on a phased basis.

#### **District Committees (7b & 7c)**

The role and remit of District Committees was amended at the Annual General Meeting (AGM) of the Council on 21st May 2015, as the result of a cross-party Community Governance Review process launched in September 2014. The role of District Committees is now to:

- Develop and support the community leadership role of councillors and others in the area. This includes roles in relation to governance, community planning, local dialogue, partnership, commissioning and accountability;
- Promote and influence service improvement, service integration and a focus on prevention across the whole of the local public sector in the district;
- Work in partnership with all local stakeholders to further the needs and priorities of local residents in the district;
- Ensure that city wide and city regional levels of decision making have a good understanding of local needs and priorities in different parts of the city;
- Promote community empowerment and active citizenship and diversity of local service provision, including community and voluntary organisations and social enterprises and to develop positive working relationships with potential parish, neighbourhood or community councils.
- Take local decisions on local issues (eg street cleansing, local community safety issues, responding to planning consultations etc)

District Committees also have responsibility for producing a Community Plan in conjunction with local residents and local partners. The aim of a Community Plan is to set out a clear list of priorities that reflect the needs and aspirations of the local area, and to decide how these are going to be achieved. Districts have held a district convention or community workshop with residents to design the plan, ensuring that it is based on local input and local intelligence. As part of the community planning process, Districts are also developing Neighbourhood Challenges – a focus on one area of their community plan that they feel is of greatest importance, but might be the most difficult to achieve. Current neighbourhood challenges underway include youth unemployment (Hodge Hill), road safety (Hall Green), employment and skills (Selly Oak), clean and green (Erdington). The results of Neighbourhood Challenges can be referred to Cabinet, Cabinet Members, Scrutiny or Chief Officers for action where necessary.

As mentioned earlier, the Councillor Development Programme has had a specific focus on changes to the remit of District Committees, and the skills that councillors may need to develop in their new roles. Two District Chairs and Deputy Chairs Leadership Development workshops were held in June. These covered the changes to the operation and remit of District Committees and the skills needed to put this into place. A third session was held later in July with District and Scrutiny Chairs and Deputy Chairs, to look at how scrutiny and district committees need to work together to deliver the changes.

These workshops were useful to members in firstly, giving them an outline of the new governance structures and their role in it, but also as a workshop session to start thinking through (and discussing with colleagues) the key tasks facing them as district chairs and vice-chairs. The scrutiny session opened up discussions between scrutiny and districts, particularly around the introduction of the Neighbourhood Challenge.

### **Scrutiny Committees (3d)**

The number of city-wide Scrutiny Committees was reduced to five at the Council AGM on 21st May, following a review of Overview and Scrutiny arrangements by a cross-party

councillor working group. The new committees are Neighbourhood and Community Services; Education and Vulnerable Children; Health and Social Care; Economy, Skills and Sustainability and Corporate Resources. The LGA ran 4 Scrutiny and Community Engagement training sessions with councillors in October and November, covering Scrutiny best practice and giving councillors the opportunity to share experiences and learning with each other.

### **Wards and Community Leadership (3e)**

We have moved away from formal ward committee arrangements to a more informal approach. This approach has more of a focus on engagement and working with the local community in the way that works best for the area, rather than discharging constitutional responsibilities. The roles of ward councillors will focus more on co-ordinating their work with the work of neighbourhood forums, residents associations and neighbourhood, community or parish councils, providing a space for local community engagement, debate and action in relation to local issues and priorities. We held development sessions for Ward Chairs which focussed on the new role for ward councillors and the practicalities of running a ward committee or forum under the new governance arrangements.

### **Recommendation 8**

**The council should facilitate the creation of a new independent Birmingham leadership group. The group should approve the new long-term City Plan and be used to hold all involved in delivery of the plan to account.**

Both recommendations 8 and 9 are part of the Outward Looking Partnerships work stream. This work is led by Adrian Phillips (Director Public Health). The Cabinet Member working closely with him is Cllr Shafique Shah.

During the year we have been working with partners to develop a new approach to city wide partnership working that focusses on collaboration and relationships across all sectors and communities. In our previous letter to the Panel, we referred to the creation of a steering group that was focussing on how best to develop the shared vision for Birmingham, how sectors and organisations can contribute to the development and, ultimately, the delivery of the vision, and improving the reputation of the city and its collective leadership.

This group has merged into Birmingham Partners ([www.birminghampartners.com](http://www.birminghampartners.com)) - which is primarily a partnership responding to requests for practical and immediate support as they arise, as well as embedding the partnership way of working. This is encapsulated in BP's motto: share, learn, do. It is important to recognise that the group and Birmingham Partners are not a BCC construct or council 'owned' body. Birmingham Partners aims to provide us with access to a 'network of networks', and we look forward to working collaboratively with them on a wide range of issues, including the development of a 2020 vision for the council and for the city, as described in recommendation 3b.

In addition the council is working with partners to develop a whole system view and approach to public services. This started from the stakeholder event in September where we shared our current thinking about demand management, and builds on the commitment and

ideas from partners expressed at that event. This is currently being referred to as a 'public services partnership' but will be further refined over the coming months. A number of events are being planned and finalised for January that will aim to build momentum – as a council we will be using these events to help us with the creation of our operating model, to make sure that we are aligning our work with that of our partners.

### **Recommendation 9**

**Birmingham City Council should redefine their partnership approach. They should do this by:**

- a) producing with their partners a clear statement of their partnership values such as openness, transparency, learning, collaborating, safe and constructive challenge. These should be communicated and applied across the organisation and externally;**
- b) having a shared clarity about the mission, objectives and purpose of individual partnerships and how they will judge their performance;**
- c) monitoring, measuring and learning by seeking and acting on feedback on their performance from their partners and being transparent about the results.**

We are working on an approach that will incorporate our council values into how we work in partnership with other organisations. This is included within the whole council approach to values and behaviours (recommendation 3)

Birmingham Partners are developing a clear statement and set of values for what partnership working should look like for Birmingham Partners. These are being drafted at present and will be used to help inform our approach to partnership working.

We are developing our approach to reviewing the council's investment in partnerships. This will focus on the outcomes we are trying to achieve from individual partnerships, how we contribute to enable their success and what impact they are having. Once we have completed this work and understand whether we need to change our role, withdraw or make a better contribution, we are intending to involve our partners more in our future plans. We will involve our partners in how we develop and the recommendations from the review.

We have conducted wide-ranging stakeholder interviews with chairs and vice chairs of city partnerships as well as voluntary sector partners and community groups to provide insight and ideas for developing the council's future approach to partnerships. We are using the feedback for a whole range of ideas on what to do next –from changing administrative arrangements so things work better, to big wholesale changes to the partnership environment. A survey will be sent to partners next week to give us a baseline measure of where we are now, and we will repeat this in the summer of 2016 to see whether things have changed.

In Children's Services, we have made good progress in rebuilding relationships and re-shaping partnerships. The council has worked with partners to agree an Early Help Strategy for Birmingham, alongside the establishment of the Early Help and Safeguarding

Partnership. This oversees the delivery of the Early Help strategy and the shape of multi-agency working to meet the needs of children and their families from universal to specialist services, including local working in hubs, districts and areas and central processes such as the MASH. It is the strategic city-wide partnership mechanism for developing an efficient and effective whole children's and family system. Preventing family breakdown and building resilience are key themes for this work. The partnership is co-chaired by the City Council and West Midlands Police. The co-chairs are visible champions of a "whole system" approach. The partnership provides a framework for how agencies will work together across the city and local area partnerships are being established, so that everything is rooted in and informed by local partnership feedback (which has previously been absent from the system altogether).

The Birmingham Education Partnership (BEP) is a school-led organisation, working to build a robust and ambitious system of continuous improvement, building on existing strengths amongst Birmingham schools and school leadership. BEP is a means of ensuring that school improvement is in the hands of school leaders, and that no school is isolated or unsupported. This will be achieved through a school-led system of continuous improvement, informed by intelligent use of data. The City Council has commissioned BEP to deliver the school improvement function from September 2015, aligned with the development of strong local partnership and engagement, including with children and young people.

### **Recommendation 10**

**A combined authority governance review based on an authority formed of at least in the initial stage the core functional economic area of Birmingham, Dudley, Sandwell, Walsall, Wolverhampton and Solihull should be completed by July 2015. Once this has happened the Government should begin to engage in a dialogue about further devolution. Based on the experience of other combined authorities we recommend that the following proposals should be adopted:**

- a) wherever possible decisions should be reached by consensus, if a vote is required each member should appoint a single representative and decisions should be taken on the basis of one member one vote;**
- b) the secretariat should be based outside of Birmingham City Council;**
- c) the Government wants to see seamless working between Local Enterprise Partnerships and combined authorities. To ensure enterprise retains a strong voice in economic strategy, the chairs of both the Black Country and Greater Birmingham and Solihull Local Enterprise Partnerships should be invited to join the board of the new combined authority.**

On 6<sup>th</sup> July, a proposal was submitted to government setting out the geography for the proposed West Midlands Combined Authority (WMCA). WMCA sees Birmingham, Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton councils working together with neighbouring district and county councils and the three Local Enterprise Areas (LEPs) of the Black Country, Coventry and Warwickshire and Greater Birmingham and Solihull to address the linked agendas of growth, regeneration and service reform. With a population of four

million, the WMCA will be the largest combined authority in the UK and the second biggest economy area, after London.

The WMCA programme office (the 'secretariat') is operated by Wolverhampton Council.

The shadow board of the WMCA was announced on 24<sup>th</sup> August, with Cllr Bob Sleigh (Solihull) as Chair and Cllr Darren Cooper (Sandwell) as Vice Chair. During the summer, the seven local metropolitan councils engaged with residents, businesses and the voluntary sector about the proposed WMCA. All the councils went through their own democratic processes to formally approve a WMCA.

On 28<sup>th</sup> October, the shadow board submitted to Government:

- a) its proposed final scheme - membership, geography, funding, powers, duties and executive arrangements - and
- b) the governance review - why we are creating a combined authority and how the areas involved will benefit .

Once the scheme is approved, the Secretary of State will confirm a formal date for establishment of the WMCA. At the very earliest, we would expect that to be April 2016.

On 17<sup>th</sup> November the West Midlands Combined Authority signed a proposed devolution deal with Government, worth £8 billion pounds overall to the West Midlands region. Through this agreement, the WMCA will be responsible for

- an investment package worth more than £4 billion to deliver the HS2 growth strategy, with the potential to add £14 billion to the area's economy as well as the creation of around 100,000 related jobs
- devolved funding and responsibility for administering the 19+ adult skills budget and business support programmes
- a £200m land remediation fund that will allow brownfield land to be brought back in to use for housing and employment.
- a £50m Business Innovation Centre for the West Midlands
- a housing investment fund to support the development of new homes
- a locally funded £1bn Collective Investment Fund for business finance to help smaller companies invest and grow in the region

It is intended that this deal is finalised and formally agreed by the participating councils and LEPs early in the new year.

### **Recommendation 11**

**The Government should support the creation of a new locally-led high powered partnership vehicle focused on increasing employment and improving skills, starting in the most deprived parts of Birmingham. With an independent chair and involving the Cities and Local Growth Unit, the Department for Work and Pensions with Job Centre Plus, the Skills Funding Agency, Local Enterprise Partnership and Birmingham City Council and other partners, the first step should be to develop an agreed plan**

**including proposals for Government by April 2015, looking at best practice and maximising resources already committed to Birmingham.**

The East Birmingham Employment & Skills Board was established early on in 2015. The board was comprised of key local and national partners who were committed to adopting a multi-agency approach to tackle such issues. It ran from January to June and was focused on analysing the skills and employment issues in East Birmingham and researching different approaches to increase employment and improve skills in some of the most deprived parts of the city. A wide range of evidence was presented to the Board, and it was agreed to propose the selection of the Hodge Hill District as the initial focus of the work.

Initially the Board had planned to run a series of workshop sessions, to look in greater detail at the evidence from Hodge Hill and to pull together a multi-agency plan to share with Government, but on reflection decided that this was not the best way to proceed. Hodge Hill District was, at the time, in the process of approving a jobs and skills plan for the area, and had appointed a local champion for employment and skills (Cllr Mariam Khan). It seemed sensible to instead link the two pieces of work, to ensure that there was a real local focus and ownership.

The role of the Employment and Skills Board, working alongside Hodge Hill District, will be to link up the range of public, private and voluntary sector organisations, with a focus on getting local people into local jobs. The Board have agreed with Hodge Hill District that they will use the Employment and Skills framework created by the Greater Birmingham and Solihull LEP, and plan for the work in Hodge Hill to be used as a pilot project. If successful, the approach could then be rolled out across the Combined Authority.

### **SECTION 3 – THEMATIC PROGRESS**

As well as monitoring our progress against our action plan, the Panel's letters to the Secretary of State have concentrated on some additional key themes – strategic capacity, communications and evidence of political 'buy in' and support from all parties

#### **Strategic Capacity**

Recommendations 3 and 6 from Lord Kerslake made some specific points about the changes the council could make at senior officer level, to ensure that the Chief Executive was able to play his corporate leadership role. These recommendations have been incorporated into a wider re-organisation of the roles and responsibilities of the Corporate Leadership Team of the council. 2 new senior posts have been created (Strategic Director for Change and Support Services – Angela Probert and the Assistant Chief Executive, Piali Das Gupta) and the new post holders start with us in January. These posts have been funded from change management budgets and from a grant from DCLG for improvement work.

As a result of restructuring, a new Strategic Director for Finance and Governance post will be created, with interviews taking place on December 8<sup>th</sup>. A Strategic Director for Major Projects post will be appointed to early in the new year. These 2 roles are as a result of

changes to how the council is organised at the most senior level, and don't require additional funding. With these changes in place the council will have permanent senior managerial capacity appropriate to the size of the organisation, enabling it to continue to deliver on Improvement, the Future Council Programme and normal council business.

With regard to the specific requirement (recommendation 3c) for a senior officer to lead on the economic work, as part of the wider work around the WMCA, we will be reviewing all economic resources and how they are deployed. This review will enable the city council to decide exactly what form of additional leadership will be needed. For the time being, the Deputy Chief Executive has been covering the leadership role for economic matters.

### **Communications**

The Panel have also focussed on the need for us to improve our communications and engagement with residents, staff and key stakeholders. To do this we have:

- engaged an external agency to develop a supporting strategic communications framework.
- created the role of Assistant Director for Communications to build additional capacity at senior level, we have an interim officer in place and permanent recruitment to the role starts in January 2016.
- worked with the Local Government Association (LGA) to increase the pace of change around our internal and external communications, the LGA are providing independent advice on a new internal communications strategy, a new communications team structure and best practice.
- developed a different way of engaging with people around the difficult challenges we are facing, e.g. we have just completed a successful series of 'Taking the Council to the People' roadshows and we have appointed an interim Stakeholder Engagement Manager to further develop this work. This new approach will form the basis of an ongoing programme which we will continue to develop and implement across the whole organisation.
- made better use of the existing resources within the organisation to deliver communications in a more co-ordinated and effective way, we want to achieve an integrated approach to all communications including with our key partners.

### **Political Support**

The Panel have always been concerned that there should be strong cross party political leadership for the changes that we have been making. This is because Lord Kerslake's report stated that the problems in Birmingham are historic and the responsibility for making things better lay with councillors of all parties as well as officers. Whilst the political parties quite rightly have different priorities and values, they have all recognised the importance of delivering on the improvement plan. This can be seen in the council debate on the future council vision referred to earlier, as well as cross-party discussions to identify a shared agenda for change and the detailed cross party working on changes to our governance arrangements.

### **How are we tracking the changes?**

As well as tracking our progress against the Improvement Plan, the Future Council also has an evaluation framework that is based on perceptions of change – do things look and feel

different to our residents, partners, councillors and staff? This is an important thing for us to measure – it's very easy to tick a box and say that a task has been completed, but much harder to be sure that putting the tick in the box means that there has been an actual change. The work we are doing is not just about changing governance or plans, but about changing our culture and behaviours as an organisation, and that evidence is harder to capture.

Each of the work streams within the Future Council has 2 or 3 key outcomes – such as “the council has a better working relationship with partners” or “improved community leadership”. Each of these outcomes has a method for measuring whether there has been a change, and how often we will measure the change. Some of these are through surveys of staff and residents, some are levels of participation in workshops. This framework has been built into our performance management system, and will be reviewed annually to make sure that we are measuring the right things, and to see if there are better ways of collecting evidence.

### **What difference will all of these changes make to me?**

The implementation of the Kerslake recommendations is only the start of a much bigger programme of change for the council. Over the next year we hope you will see evidence of better engagement and communication with you, and that you feel you have had more involvement, where and if you want it, in helping us design our future council and to find solutions to the difficult decisions that we have to make. If you work with us as a partner, we hope that you feel that we are showing signs of behaving as a better partner.

As the Future Council programme moves onwards, you will see more practical changes to the shape of the council and the services we deliver. The focus of the Kerslake report was on corporate governance, not specific service areas, so many of the changes we have made and will continue to make have a more internal focus – planning, HR, strategic capacity, support services etc. But getting these things right will support better front-line services. We will be a more focussed and joined up organisation, with better trained, more flexible workforce, better communications and IT, better financial planning to make sure resources are allocated where they are needed, and a strong sense of vision and values that the whole organisation understands and supports. This will make us a more resilient organisation so we are in the best shape we can be to meet the challenges ahead, and be a better council for our citizens. A better council will mean a better public sector as a whole and better services for all the citizens of Birmingham.

