

Meeting Birmingham Independent Improvement Panel and Birmingham City Council

Wednesday 27 February 2019 12:15pm to 2:15pm

Gowling WLG offices, Snow Hill, Birmingham

Attendees

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

BCC: Councillor Brigid Jones, Deputy Leader of the Council; Dawn Baxendale, Chief Executive; Jonathan Tew, Assistant Chief Executive

MHCLG: Alex Powell, Deputy Director, Local Government Stewardship; Clare Clark, Lead Local Government Intervention and conduct

1. **Welcome and apologies:** John welcomed everyone to the meeting and noted the apologies received from Councillor Ian Ward, Leader of the Council; Clive Heaphy, Corporate Director Finance and Governance; and Councillor Keith Wakefield, Panel member.
2. **The minutes of the last meeting** for January 2019 were agreed subject to a minor update from Cllr Brigid Jones; and some clarifications about BCC's finances which are still due from Clive Heaphy. Jonathan Tew undertook to provide the updates from CH to Sally Hammond immediately following the meeting.
3. **Industrial relations:** Dawn Baxendale provided an update to the current position and the possible scenarios that could apply to the waste service dispute over the coming weeks. Cllr Brigid Jones clarified the political context relating to the two live industrial disputes and the options available to the Council.
4. Dawn Baxendale confirmed that the Enablement staff were still on strike and that a Cabinet report would go to the 26 March 2019 meeting. Frances Done queried why the matters were not able to go to the 5 March meeting. BCC representatives said that this would entail BCC sending through another late report, which the senior teams wished to avoid.
5. Sally Hammond raised the matter of communications relating to the industrial disputes. Jonathan Tew summarised the steps that the Council had taken recently to set out its perspective.
6. Frances Done queried the up-to-date position relating to the transfer of Early Years staff who are still working under a secondment arrangement. She cited a BCC internal audit report with the lowest possible rating – level 4. Dawn Baxendale provided an update about the current situation and expected next steps.
7. The Panel suggested that the Council should not delay implementing any options and solutions that might help it address the ongoing disputes and the Council's wider industrial relations issues.

8. **Recent knife crime incidents in the city:** Dawn Baxendale provided an update about the measures that BCC, the local police and other partners were taking to engage local communities and address the escalation in knife crime in the city. She said that local partners were working together and that special meetings of the Children's Board and the Community Safety Board had been convened. BCC, she said, was taking the initiative and a leading role in seeking to address the issues. Jonathan Tew said that the matter would be discussed also at the March city partnership board meeting. Dawn Baxendale and Jonathan Tew said that they thought that the improvements in partnership governance and relationships over the last year had made it possible to quickly convene such emergency meetings.
9. **The Stocktake report:** Panel representatives said that the updates to the draft Stocktake report since Jonathan's recent meetings with Sally Hammond and Steve Robinson were helpful. Panel members said that three matters needed further clarification or a more consistent narrative, namely:
 - The wider implications and impacts of the industrial relations situation, beyond waste services;
 - The Council's likely financial position, taking account of all the relevant draws on its funds, including the financial impacts of the live and anticipated industrial disputes and other matters; and
 - Headline summary action plans to set out how BCC intended to address what it perceives to be its greatest risks and opportunities for the year ahead.
10. **Capacity to improve:** There was a discussion about whether the Council had sufficient experienced management capacity to address all the high risks and undertake all the complex work that it would need to take action on in the year ahead, and beyond. Frances Done and John Crabtree raised their concerns about BCC's current capacity being overstretched and senior officers being distracted by the ongoing industrial disputes. The high proportion of the Chief Finance Officer's time being spent on industrial relations matters was also a cause for the Panel's concern given the major financial services transformation agenda and his other key responsibilities. Dawn Baxendale and Cllr Brigid Jones explained what BCC are doing to improve its capacity.
11. Frances Done queried if sufficient preparatory work could be in place to enable the Council to meet its commitment to consult on *detailed* transformational plans in September 2019. In answer to the query, Dawn explained her perspective about who was taking a leadership role currently for some of the Council's major programmes and projects, and said that any capacity gaps were being, or would be, addressed.
12. The Panel raised queries about whether BCC's approach to enabling voluntary redundancy might mean the Council losing any of the capability it needed. Dawn Baxendale assured the Panel that all the restructuring decisions had been properly and appropriately taken.
13. **Cultural change:** Dawn Baxendale outlined the recent steps that the senior management team had taken to take the wider leadership teams through what has been achieved in adult social care.

14. Financial position and any letters from the external auditor: Frances Done noted that the Panel will wish to see any draft letters and assessments from the local external auditor before it can draft its own letter for the Secretary of State. There was a conversation about why the Panel's request to the Council to see a draft letter had previously been declined. Jonathan Tew and Dawn Baxendale undertook to provide any such draft letters together with the Council's responses.
15. Financial reporting: Frances Done queried why in the month 10 revenue budget monitoring report the front page summary headline showed an underspend for 2019/20 of £3.2m when the associated appendix included information that this figure did not include either known Place Directorate budget pressures of £3.4m or the costs of the industrial action within the waste collection service, which are already a significant sum. The headline figure reported, she said, was therefore potentially misleading and, pending clarification, could mean that the overall position was still a significant overspend. This kind of reporting, Frances said, was what the Panel had hoped the Council had moved away from because it had serious detrimental impacts potentially leading elected members to think that the financial position was better than it actually was. It should be expected, continued Frances, that an estimate of all known pressures on the revenue budget would be reported as part of the headline figure in the summary report which would be going to Resources Overview and Scrutiny committee on 14 March. Dawn Baxendale undertook to raise this with Clive Heaphy.
16. The Panel: Frances Done said that while the Panel would complete its own work by 31 March, save for attending perhaps the one additional post-Panel meeting already scheduled in April, Sally Hammond will need to undertake work on behalf of the Panel during April to assist with the Panel's close down. Jonathan agreed to action this in terms of any relevant payments and purchase orders.
- 17. Noting any formal advice of the Panel:** The Panel did not provide any formal advice.
- 18. Meeting closure:** John Crabtree closed the meeting at 2.15pm.
- 19. Next meeting:** 27 March 2019. Apologies were noted from John Crabtree, Cllr Keith Wakefield, Dawn Baxendale and Clare Clark. Due to the extensive apologies it was suggested that the 15 April meeting should be retained in everyone's calendar and that members of the Panel would plan to meet informally on that day.