The way forward: an independent review of the governance and organisational capabilities of Birmingham City Council

Sir Bob Kerslake

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December, 2014

ISBN: 978-1-4098-4419-8

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## Introduction

- i. On 22 July 2014, Sir Albert Bore, Leader of Birmingham City Council and the Secretary of State for Communities and Local Government asked me to conduct an independent review of the governance and organisational capabilities of Birmingham City Council with a view to making a series of recommendations for improving the efficiency and effectiveness of the City Council.
- ii. The aim of the review has been to identify the leadership and local service delivery needed to secure the future success of the city and the wellbeing of all who live, work, or visit there.
- iii. The methodology I have adopted for the review has been based on the principles of the Local Government Association's (LGA) peer challenge model. According to the LGA there are five factors critical to council performance and improvement. The Review has considered these to be the essential components of a successful and effective council:
  - a. effective political and managerial leadership, working as a constructive partnership;
  - a good understanding of the local context which informs a shared long-term vision and a clear set of priorities understood by the workforce and other partners;
  - effective governance and decision-making arrangements that respond to challenges and manage performance, change, transformation and disinvestment;
  - d. capacity and resources focused in the right areas in order to deliver the agreed priorities, supported by relevant organisational and workforce development; and,
  - e. a financial plan in place to ensure its long term viability and evidence it is being implemented successfully.
- iv. Fundamental to the process has been the frank and open sharing of insight and personal experience by those who know the city and want it to do well. On behalf of the panel I would like to thank the more than 350 people who have given up their time speak to us, the individuals and groups who contributed 78 written submissions during the period of the call for evidence and the lively @KerslakeReview twitter following.
- v. I would also like to extend particular thanks to my advisory panel: Deborah Cadman OBE (Chief Executive, Suffolk County Council); Carolyn Downs (Chief Executive,

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<sup>&</sup>lt;sup>1</sup> http://www.local.gov.uk/peer-challenge

Local Government Association); Donna Hall (Chief Executive, Wigan Council); Councillor Sir Steve Houghton CBE (Labour, Leader of Barnsley Metropolitan Borough Council); Councillor Mehboob Khan (Labour, Kirklees Council); Joanne Roney OBE (Chief Executive, Wakefield Council); Councillor David Simmonds (Conservatives, Hillingdon London Borough Council); and Councillor Howard Sykes MBE (Liberal Democrats, Oldham Council) for their advice and support which has been invaluable.

- vi. In preparing the report we have drawn on a wide range of sources including the recent reviews lead by Peter Clarke CVO OBE QVM, Professor Julian le Grand and Ian Kershaw. I would like to thank them for their contribution.
- vii. Finally, I would like to thank Paul Clarke (LGA); Ian Hickman (Associate Controller, Audit Commission); and the review secretariat: Jamie Cowling, Siobhan Larking, Jack Lee, Michelle Nutt, Gillie Severin, Jehangir Ullah and Sue Westcott.

Sir Bob Kerslake December 2014

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## **Executive Summary**

- Birmingham is a great city. The second largest in the UK and it has the potential to be an economic powerhouse alongside London. High Speed 2 will provide another very important catalyst for its renewal. For the city to succeed though Birmingham City Council is critical.
- 2. The council has a proud past and can be proud of some significant achievements over recent years, for example, the physical regeneration of the city centre. Some services are working well. For example, Youth Offending Teams have played a role in successfully cutting gang crime and some major businesses have told us they find Birmingham City Council to be a good partner, the Local Enterprise Partnership is strong and the city is a good place to do business. There are other examples of the council's strengths that are highlighted elsewhere in this report. What stands out is the pride and passion in Birmingham, both for the city and the council, which we heard from virtually everyone who we spoke to.
- 3. But despite this, both the city and the council are some way from fulfilling their full potential. The council's financial issues, the poor performance of children's services and the council's failure to react effectively to the issues in some schools have been well documented. But the challenges go wider. The economy has underperformed not just compared to London and the South-East but compared to Greater Manchester, Liverpool and Sheffield.<sup>2</sup> Birmingham is an outlier on its low employment rate and the low skills of its population. This is a matter of national importance. But it matters most to the people who live in the city.
- 4. Parts of Birmingham are among the most deprived in the country and as a result there are more poor children than anywhere else in England.<sup>3</sup> This will not change while so many adults remain low skilled and are locked out of the new jobs the city's businesses are creating. These are the conditions in which distrust and division can thrive.
- 5. For Birmingham to achieve its full potential and tackle these challenges Birmingham City Council must do better. The overwhelming consensus of those we have spoken to is that the council cannot carry on any longer as it is. We concur with that view.
- 6. The council must act now to address its significant challenges. Like all local authorities, it must rethink its role and the way it does business with its partners and those it serves, including its relationship with the city's residents. But there are some issues that are particular to Birmingham City Council. Some of its services

<sup>&</sup>lt;sup>2</sup> Based on the change in GVA per capita from 1997-2012. Source: ONS (2013) Regional Gross Value

<sup>&</sup>lt;sup>3</sup> DWP/HMRC (2014) Children in Low Income Families Local Measure.

are not good enough, such as children's services, and there is dissatisfaction with others, such as waste management. If the financial challenge is to be met the council needs to begin a different conversation with the people it represents.

- 7. Above all, the council has to change its corporate culture. The initial response to governance problems in the city's school was symptomatic of a culture, under successive administrations, that has too often swept deep rooted problems under the carpet rather than addressed them.
- 8. The council must lead a process of fundamental change. It cannot continue to do more of the same and expect something different to happen.
- 9. Our starting point was to ask what needs to change. This is what we have concluded:
  - a. Birmingham City Council's size acts as both a badge and a barrier: it has led to a not invented here, silo based and council knows best culture. These characteristics are not an inescapable feature of Birmingham City Council's size but they need to be acknowledged and addressed. There is much to learn here from other large authorities;
  - the narrative within Birmingham and the council needs to become more positive. Birmingham City Council too often sees itself as a victim. Whilst the financial and other challenges are considerable and must be tackled, the public and businesses are calling for a more positive vision;
  - c. 30 years ago Birmingham City Council was at the cutting edge of innovation in local government but has lost ground. To return it needs to start with getting the basics right;
  - d. there is a blurring of roles between members and officers. The relationship needs to be reset and officers given the space to manage;
  - e. the current devolution arrangements within the city are confused and very few people understand them. They have also not been reconciled with the council's financial position;
  - f. the council's vision for the future of the city is neither broadly shared nor understood by the council's officers, partners or residents;
  - g. instead there is a multiplicity of strategies, plans and performance management processes which lead to unnecessary complexity and confusion and are not followed through to delivery;
  - h. the Chief Executive and corporate leadership team lack the corporate support and capacity that is needed to undertake their role effectively;
  - neither the savings nor the staff reductions the council has made have been underpinned by a long-term strategic plan for the nature and shape of the future council and the people it needs;
  - j. the council faces very significant budget difficulties in the next few years and does not yet have credible plans to meet these;

- k. performance management is ineffective and not up to the scale of the task;
- I. the council, members and officers, have too often failed to tackle difficult issues. They need to be more open about what the most important issues are and focus on addressing them;
- m. partnership working needs fixing. While there are some good partnerships, particularly operationally, many external partners feel the culture is dominant and over-controlling and that the council is complex, impenetrable and too narrowly focused on its own agenda;
- n. the council needs to engage in across the whole city, including the outer areas, and all the communities within it; and,
- o. regeneration must take place beyond the physical transformation of the city centre. There is a particularly urgent challenge in central and east Birmingham.
- 10. It is important to emphasise that the issues above are deep rooted and not the product of a single administration. They will not change overnight but there needs to be a clear plan of action that starts now.

#### Recommendations

Some have suggested that Birmingham City Council is simply too big and should be completely broken up. On balance, we are not convinced that would currently be the best option. It is not clear that splitting the council alone would address the major challenges the city and council face. Our view is the council's problems are not just due to its size; many are the result of a series of poor decisions over a number of years but they must be addressed.

We have developed our recommendations to improve Birmingham City Council's governance alongside the interventions that are being led by Lord Warner and Sir Mike Tomlinson. We believe that taken together these will turn the dial sufficiently for Birmingham City Council to begin to improve. However, it is clear that Birmingham City Council will need independent support and challenge to deliver the changes needed.

#### Recommendation 1

Alongside the recommendations below the Secretary of State should appoint an independent improvement panel that is able to work with the council to provide the robust challenge and support the council requires. We recommend the Secretary of State invites Lord Warner and Sir Mike Tomlinson to join the panel as ex-officio members. The council should draw up an improvement plan with clear dates for delivery. The independent improvement panel should provide regular updates to the Secretary of State and updates on progress should also be made to the city's residents.

It is essential that the council follows through on all of the changes we identify. Otherwise the problems will continue to recur and the question of size and structure will inevitably be asked again.

### **Recommendation 2**

It will take some years for Birmingham City Council to address all its problems. However, Birmingham City Council should publish a report setting out how it has implemented our recommendations in December 2015. The independent improvement panel will provide their assessment of this report and on the council's progress in setting a budget for 2016/17 to the Secretary of State.

We have found that for successive administrations Birmingham City Council's members and senior officers have failed to take collectively the big strategic decisions needed to tackle the problems the city faces and to be sufficiently clear with residents about the choices that need to be made. Above all, everyone in Birmingham City Council needs to take personal responsibility for confronting and changing the mindset that says the council's problems are unique to the city and can be explained by its size.

We have also found that the clear boundaries that should exist between the roles of members and officers have become blurred in Birmingham City Council.

### **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 ways of working expected in relation to the of the Leader, Cabinet, councillors Chief Executive and officers. The strategic, executive, independent scrutiny and community roles of members 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). The process and documentation the council will need is set out in chapter 2;
- 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 members and officers.

Birmingham City Council is an outlier on the size of the council and the size of its wards. It has 15 of the 20 wards with the largest population in the country and these are projected to become even bigger over the coming years. With 120 members the council is also the largest metropolitan borough. There is only one Town and Parish council within the city's boundaries. The large number of councillors means the council is difficult to run and has encouraged individual councillors to micro-manage services. The size of the wards means some councillors are struggling to connect their communities with the council. The current pattern of elections by thirds has not helped the council's ability to take strategic decisions.

In other Local Authorities, as part of a package of measures, a review of council size and a change in the method of holding elections to the council have been shown to be a powerful tool to help a council improve.

#### 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 council faces very significant budget difficulties in the next few years and currently plans on addressing these in part by seeking new funding from central Government.

#### 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.

<sup>&</sup>lt;sup>4</sup> ONS (2014) Small Area Population Estimates Mid-2013.

Birmingham City Council does not have a workforce plan for the future or the processes in place to manage the existing workforce effectively.

### **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 indivudal 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.

The existing devolution arrangements in the city are not financially viable and need to be reformed. The new model for devolution needs to recognise the reality of very limited resources and the need for effective and efficient governance alongside more powerful community engagement. Neither councillors nor officers should take refuge in committees.

### **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.

There is a lack of a shared vision for the future of the city and of a citywide partnership needed to create it. The Trojan Horse Review Group recommended the creation of a civic leadership group chaired and strongly represented by credible independent voices. This has not yet happened but in our view it is badly needed.

### **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.

The council has an attitude to partnerships of "if it's worth doing, the council should do it". This paternalism alienates partners, means the council is failing to reconfigure services effectively and is missing opportunities to work with partners and communities to deliver the services people need.

## **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 welcome the steps the Black Country and Birmingham City Council have taken to form a combined authority. A combined authority and further devolution are the best opportunity the west midlands authorities have to secure the economic resurgence of the area and ensure growth for the future, benefitting all parts of the region. However, they are currently behind the curve and in danger of missing out. Our view is they must move quickly to catch up.

On the basis of our economic analysis of the functional economic area, the combined authority should – at least as a first step - include Birmingham City Council, the Black Country authorities and Solihull. This does not mean that partnership working with the other local authorities in the area should stop. On the contrary it needs to continue to get better. Nor does it mean that other local authorities could not join the combined authority from the start if there is local support. The governance review should consider this. We welcome Birmingham City Council's recognition that while it should play its part in the creation of the new combined authority it should not seek nor assume the role of first amongst equals.

#### **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.

The scale of unemployment, depth of deprivation and extent of child poverty in the city will not improve while large numbers are excluded from the large number of jobs the wider economy is creating due to lack of skills. Improving skills and employability in the local area is likely to be a priority for any new combined authority. However, there is the urgent need for a distinctive approach in the most deprived parts of Birmingham. We believe this will go with the grain of other planned initiatives in the city.

### **Recommendation 11**

The Government should support the creation of a new locally-led high powered partnership vehicle focussed 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.

## Chapter 1 – Size & structure

## Introduction

- 1. With a population of 1.1 million people Birmingham City Council (BCC) is the largest metropolitan local authority in England.<sup>5</sup>
- We spoke to more than 350 people over the course of the review and BCC's size was among the most common issues people mentioned to us. It is one of the most defining features for those who work there and for its partners in the private, voluntary and public sectors.
- 3. The size of the City acts as both a badge and a barrier. People feel a sense of pride in the city and in working for the council. The council's size gives it the capacity to take on significant projects that many Local Authorities would struggle to achieve alone, particularly around economic development. This was undoubtedly a contributing factor that helped the council lead the successful physical regeneration of the city centre.
- 4. In other respects Birmingham City Council's size is a problem. We were told:
  - a. it has encouraged a culture that looks inwards rather than out and an organisation that thinks and acts like a parent with all that implies;
  - b. in the past some services, including education and children's services, have been too big to manage from the centre and have lacked the intelligence they need to operate effectively;
  - c. the city's council wards are among the largest in the country leaving councillors with a heavy workload and make it difficult to keep in touch with the communities they serve; and,
  - d. while other local authorities have successfully forged the partnerships needed to operate across a functional economic area Birmingham City Council has struggled in the past to build the alliances it requires to do so.
- 5. As a result, some have argued that a either a new model of local government is needed in Birmingham or that Birmingham City Council is simply too big and should be broken up.
- 6. We have found that the council's size fosters an unhelpful culture and attitude. However, the size of the council is not the sole reason for its problems. It urgently needs a new model of devolution that enables services to be delivered within the resources available and provides more powerful community engagement.

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<sup>&</sup>lt;sup>5</sup> ONS (2014) Mid-Year Population Estimates.

## The influence of Birmingham City Council's size on its culture

7. In common with Professor Le Grand, Peter Clarke and Ian Kershaw, we found BCC's size to dominate the council's strategic perception of itself. It has led to a "not invented here", silo based and council-knows-best culture.

BCC's size "creates a mindset that says we're unique." Senior council officer

"There's a general feeling that the scale of Birmingham means ... they don't need to compete with others. There's nothing new to learn." Cabinet member

"BCC is culturally behind the times." Frontline staff "Issue [is not size, it] is basic culture and operations." Public sector partner

8. Too often the size of the council is used as a shield to deflect criticism instead of confronting its failings. We were told the council's size was a reason the council has poor external partnerships, looks inward, is divided into silos and where one part of the organisation is afraid to challenge another on issues that are perceived to be their core competence.

"It's not the size of BCC that's the big problem, its behavioural, cultural norms...there's no compliance culture, no coherence, no shared delivery, no shared endeavour." Public sector partner

9. However, our view is that the council's problems are not intrinsic to its size. Large organisations can be successful but only if the problems that can come with scale are acknowledged and addressed. Other large authorities, such as Leeds City Council, are actively seeking to do this.

## The Birmingham model of triple devolution

10. Local government has two principle functions. First, to ensure there are the public services available required by residents in accordance with the law and within the constraints of available resources. Second, to represent the views of citizens and enable them to participate in the decisions that affect them and their local communities. Their democratic mandate gives councillors and councils the opportunity to act as community leaders.

- 11. In order to fulfil a council's functions and duties a wide variety of structures is possible, both between Local Authorities and within them. The test for any is how efficient and effective they are.6
- 12. BCC are moving towards a model for service delivery and representation which the Leader describes as 'triple devolution'. The triple devolution model has been summarised by BCC as:
  - a. 'City region working in partnership with our neighbouring councils and using pooled funding streams, passed down from central government to invest in transport infrastructure, skills and economic development and to make strategic plans for housing and other land uses.
  - b. The City working more closely with other agencies such as health, social care providers and schools, integrating services and ultimately creating a "Budget for Birmingham" which brings together all the funding for local public services and allows the various agencies to work together to plan provision. This in turn will enable the joining up of services that will allow investment in prevention and reduction of need. Key service areas will be health and social care and children and young people.
  - c. The Neighbourhood building the role of our devolved District arrangements; bringing together Neighbourhood Services and creating service hubs; developing new providers including voluntary and community organisations and social enterprises and promoting wider roles for existing providers such as housing associations and schools. Key service areas will be environmental services, housing, neighbourhood advice, libraries, sport and physical activity provision'. '
- 13. We have found that people within the council, and across some public service partners, broadly recognise the three different levels of devolution set out in the Leader's Policy Statement. And there is broad instinctive support for the principle of devolution from central Government to the city and within the city itself.

## **Devolution within Birmingham**

- 14. BCC has established 10 District Committees within the city.
- 15. In the triple devolution model the role of Districts is to 'provide integrated' neighbourhood management and link into local hubs and city-wide services'.8 BCC

 <sup>&</sup>lt;sup>6</sup> See for example the Best Value statutory guidance.
 <sup>7</sup> Leader's Policy Statement 2014, p.25.
 <sup>8</sup> Responding to the challenge, looking to the future (2014) p.8.

- argue that integration of services, engagement with community groups and social enterprises and shifting from acute spending to prevention are easier at a local level.<sup>9</sup>
- 16. BCC has devolved direct management of some services and influence over services to District Committees (see below). In total, District Committees either control or are able to influence a total budget of around £105.9m out of £3.2bn total expenditure by the council.
- 17. There are also 40 ward committees which are the principle public forum for residents to put forward issues in their neighbourhood. Each ward committee is currently responsible for a £50,000 community chest, though the future of this funding may be in doubt. The community chest fund was cut by half in 2013 and has been identified by the council as a medium/low priority for 2015/16.
- 18. The future role of district and ward committees are under review by the council. The council's 'Community Governance Review' is due to report in 2015.

### **District Committees**

Birmingham is split into ten districts, which cover the same area as the parliamentary constituencies. Each comprises 3 wards. According to the council's constitution: 'District Committees may vary in so far as is reasonably practicable and within the scope of available budgets, the city wide service level agreements in respect of the performance of the functions which are devolved to them in their District. District Committees may consider, approve or recommend changes so far as is reasonably practicable to Service Redesigns which affect the performance of the functions which are devolved to them in their District.'

District Committees meet roughly once every 2 months at the council office. The meetings are streamed live on the internet. The District Committees are currently responsible for either via discretionary funding or service level agreements (SLA): adult education\*; community arts; community development; community libraries; district engineers – traffic calming; employment access and local employment plans\*; enforcement of litter and pest control; enforcement of fly posting, placarding, graffiti and fly tipping; highway services\*; housing liaison boards; housing management services\*: including tenant participation, resident engagement and estate management, housing repairs and relationships with the private rented sector; local car parks; local community safety\*; local markets\*; local parks/allotments\*; neighbourhood advice and information services; pest control services\*; play service; power to authorise the picking up of stray dogs; powers relating to scavenging in alleyways; powers under Dogs (Fouling of Land) Act; pretenancy services; refuse collection, street cleansing and recycling\*; school crossing patrols; sport and leisure services\*; trading standards; ward support and community chest; and, youth engagement and youth services.

\*denotes SLA

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<sup>&</sup>lt;sup>9</sup> 'Devolution, Localisation and Value for Money' paper provided to the Review by BCC.

## The existing devolution arrangements are not sustainable

- 19. Our view is that the current arrangements in Birmingham are not sustainable for two reasons: first, because the management and delivery of services by District Committees is neither efficient nor effective; and second, because the city's growing population will mean Birmingham's wards become too large for effective and convenient local government.
- 20. District Committees are not working as a model for delivering services or for community representation. Summarised by one person we interviewed as: "District Committees are too big to be local but too small to be strategic."
- 21. We do not think the theory of devolution, in effect creating 10 mini councils within Birmingham, is working in practice or will work:
  - a. District Committees have not been able to maintain financial control. There were significant overspends in District budgets on sport and leisure services for several years. The cumulative overspend balances across all Districts totalled £8.4m at the end of 2011/12;
  - b. the discretionary spending that is actually controlled by District Committees has shrunk dramatically. In 2014/15 individual Districts were responsible for £105.9m, of which, £24.9 million is discretionary. This has declined by 46.6% since 2010/11 when the directly managed discretionary expenditure by Districts was £46.7 million. The council has sought to offset this decline by giving District Committee's influence over additional services, such as housing management, which we think they lack the capacity to manage effectively; and,
  - c. because we were told that officer headcount assigned to the District Committees has fallen from 900 to 358. 5 of the 10 current District Managers are currently being filled on an interim basis and 1 of the 10 District Managers is part-time.

"The budget available to District Committees no longer makes them worthwhile, and many of the services they provide should be wider than Districts." Cabinet member

"The 10 Districts are an empty paper bag." Backbench councillor District Committees are "trying to build lifeboats but trying to build them out of parachute silk and string because that's all we have left." District Committee officer

22.BCC expect to be required to identify savings of £360m by 2017/18. Nobody – members, officer, partners or community – was able to explain how devolution might work in consistent terms that align with the council's budget, staff challenges and the role of members. There was considerable confusion across the council about both how devolution worked now or was likely to work in the future.

- 23. The council pointed to the potential savings identified by the Greater Manchester Whole Place Community Budget as an example of how savings can be achieved through devolution. However, this potentially misunderstands the Whole-Place Community Budget approach. The potential savings were identified by both devolving decision making and by improving partnership working between public agencies better integrating public services across the 10 Greater Manchester Local Authorities. Not fragmenting them.<sup>10</sup>
- 24. The council clearly faces a tension between the desire for local control and its budget. It has argued that devolution could bring benefits of reducing service costs and improving responsiveness to local people. However, we have not seen any evidence of this and consider it to be a very high risk strategy.

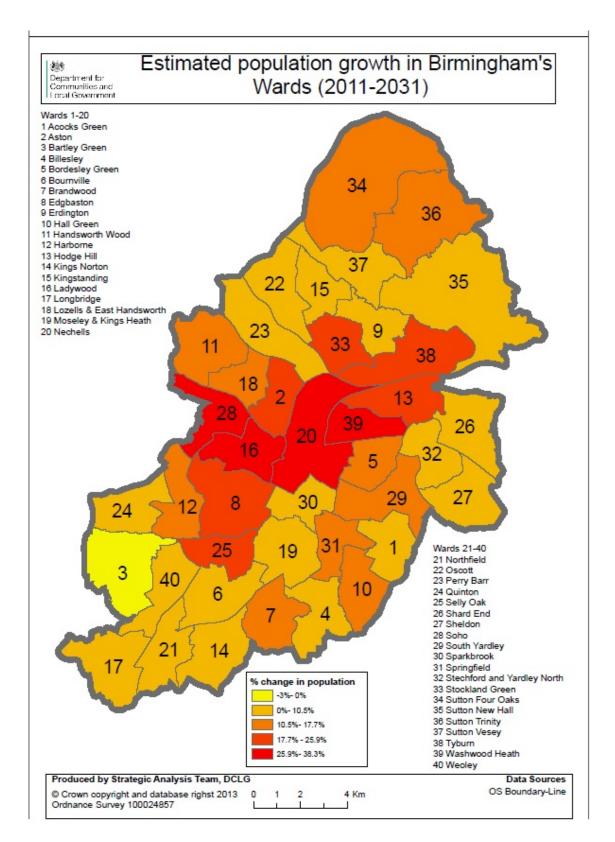
## Warding arrangements

- 25. The second challenge that needs to be addressed is whether BCC's wards are simply too big for its councillors to be able to represent their residents effectively.
- 26.15 of the 20 wards with the largest population in England are in Birmingham. In total 73% of the largest wards in the country are in the city. The result is councillors have a heavy workload and can find it challenging to represent all their residents.
- 27. The population of Birmingham is growing quickly and is expected to increase by a further 150,000 by 2031. This is the equivalent to Birmingham absorbing a town around the size of Reading. The council projects that 4 wards in the city will have more than 40,000 people in them by 2031. As the population of individual wards grows larger, fulfilling councillors' role will become even more challenging.
- 28. At the same time, as the number of officers employed by BCC grows smaller, the ability of officers to provide effective support to 120 councillors is reduced. In BCC the member to officer ratio in 2009 was 1:167 and in 2013 it was 1:108. Based on current projections for headcount reductions the member to officer ratio for 2018 is likely to be around 1:58.
- 29. The council is already the third largest in the country, larger than the United States Senate, so simply adding more 3 member wards and/or increasing the number of councillors is unlikely to be a sustainable solution.

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<sup>&</sup>lt;sup>10</sup> See for example NAO(2013) Case study on integration: Measuring the costs and benefits of Whole-Place Community Budgets.

<sup>&</sup>lt;sup>11</sup> ONS (2014) 2012-based Subnational Population Projections.



30. We have concluded that the council urgently needs a different model for devolution and community governance. The test for the council's Community Governance Review will be to develop a model that brings together structures, member roles, officer capacity, responsiveness to communities and effective services in a way that is affordable.

## **Options for reform**

## **Birmingham Arrondissements**

Birmingham are considering the French model of 'municipal arrondissements'. This operates in Paris, Lyon and Marseille. People are elected to a local council and some are nominated to sit on a separate city wide authority. BCC are keen to continue a dialogue with central Government around the introduction of this model into the UK.

Municipal arrondissements consist of two tiers of government. Each area has a town hall (mairie d'arrondissement) and mayor (maire d'arrondissement). Two thirds of the councillors are elected inside the arrondissement; the remaining one third is made up of members of the municipal council elected at the commune level above the arrondissements. The arrondissement mayor is elected by the arrondissement council. The city halls (mairies) exist above the mairies d'arrondissement, with a central mayor (maire) for each city. The municipal arrondissements were made the administrative unit dealing directly with citizens. The city hall (mairie centrale) does not generally have direct contact with the citizens and is in charge of larger matters such as economic development or local taxation.

This is an interesting model but it will not provide the solution the council needs now because:

- it will require primary legislation and is therefore highly unlikely to be in place in the next 5 years; and,
- there are likely to be higher costs because municipal arrondisements require more councillors. For example, if implemented on the same member to resident ratio in Birmingham that there is in Lyon there would be around 318 elected members in the city.
- 31. A small number of people have suggested to us that Birmingham is simply too big and should be broken up into new geographically distinct local authorities. However, our view is that at the moment the disbenefits outweigh the potential benefits (see below).

## **Breaking up Birmingham**

Andrews et al. (2006) demonstrate a complex relationship between local authority size and performance. This varies between services and is dependent on local circumstances. But broadly, for unitary authorities, aside from in relation to transport infrastructure and strategic economic development, the optimum range may be a population between 400,000 & 600,000.

Birmingham is clearly far larger than this. Together with the long-standing problems in the council, it supports the argument for reducing the size of the authority by splitting it up.

## **Breaking up Birmingham continued**

However, there are also strong counter-arguments:

- smaller authorities also struggle: changing the size does not, of itself, guarantee improvement;
- reorganisation is costly and new authorities would need to take on the existing council's assets and liabilities, including a proportion of BCC's large debt;
- there is a strong risk of distracting from getting right the basics of serving the people of Birmingham well;
- there does not appear to be a "natural" split that would give 3 authorities of around 400,000 each that does not at the same time create at least one council serving a uniformly very deprived population without further reorganisation of neighbouring local authorities; and,
- we found almost no support for this option within the city among residents, partners, council officers or politically.

We believe that there is a viable alternative to splitting the council, which will start with implementing the recommendations in this report. There is logic to managing some key services at a level smaller than the whole city. But if the council fails to grasp this opportunity and doesn't deliver real change that is visible to the outside, the question of size will be asked again. At that point the benefits of reorganisation may be deemed to outweigh the costs.

32. Others have suggested that a Mayor with a much smaller council would provide the leadership and greater accountability the city needs. This was rejected by Birmingham's residents in a referendum in 2012. Whilst the mayoral model clearly has many strengths, it does not seem to us to be realistic to re-open the debate so soon after the residents of Birmingham have voted against it. It remains a definate option for the future though. If a new combined authority is formed, there is also the attractive option of a metro mayor as currently planned for Greater Manchester. This aims to address the issue of leadership across the wider economic area however rather than in the city itself and would be a matter for the combined authority to consider.

## A new model for devolution

33. The pressure on BCC's budget means the existing devolution arrangements within the city are not sustainable within the constraints of their available resources and need to be reformed. We are therefore recommending a model the council can adopt. Our view is BCC should establish a new model for devolution based on the following elements:

Manal	0 '' '
Ward	Community engagement and
	empowerment not committees
District Committees	<ul> <li>Influence, representation and</li> </ul>
	independent challenge and scrutiny
	of all public services operating in
	the District
	Modest discretionary
	commissioning budget
Cabinet	Leadership of council
	Set strategic direction and
	decisions on commissioning
	services in the city
	Hold officers to account for service
	performance
Full council	Agree strategic direction
	Hold Cabinet to account for delivery
	of services
	3 powerful scrutiny committees
Combined authority	Responsible for economic
	development including skills &
	transport
	1/2

- 34. Our proposal recognises the reality of very limited resources and the need for effective and efficient governance alongside more powerful community engagement.
- 35. The council needs to focus on getting the basics right (see chapter 3). We therefore think the council should manage operational services at the level that makes most sense for the service rather than placing them into a predetermined devolution model. This avoids the mistake of deciding the structure before understanding the outcome users need and then devising a strategy for efficient and effective delivery.
- 36. For example, services in a city the size of Birmingham will not always be city-wide. As Lord Warner has shown, it is difficult for children's services to gather and use sufficient intelligence well at that scale. Some will operate well at a city-wide level, while others will work well at a very local level. The test should be whether they deliver the outcome needed in a way that is efficient and affordable and are accountable for doing so.
- 37. Local authorities are increasingly seeking to align strategies and commission in partnerships with other public agencies. For example, The Greater Manchester combined authority boundaries are generally co-terminus with health, transport, probation, police, and cover two Work Programme and JobCentre Plus areas.
- 38. We believe there would be benefit from BCC considering planning some operational services alongside other agencies' boundaries to help align planning and resources (see chapters 2 & 4). For example, West Midlands Police divides Birmingham up into four Local Policing Units (LPUs): North, East, South and West & Central. The decision

- was taken to align the boundaries of these four quadrants align with the existing boundaries of Birmingham City Council's Districts and wards. 12
- 39. The Trojan Horse incident demonstrated that BCC did not sufficiently understand what was happening in its communities and did not have the confidence to act when the issue surfaced. Our view is the bottom-up engagement and partnership working the council are seeking will happen when councillors are an effective link between their communities and services. To do so councillors need to have regular and direct engagement with residents and the organisations represented in their wards (see chapter 4) not be sat in formal committee meetings in the council house.
- 40. However, if the existing District Committees are to be retained they should no longer be responsible for delivering services or managing them through Service Level Agreements. Instead they should be refocused on shaping and leading their local area through influence, representation, and independent challenge and scrutiny of <u>all</u> public services located in the city within the District, including those run by the council.
- 41. A modest discretionary budget should be made available to provide a top-up to services to reflect local needs. Services purchased will not need to be managed or provided by the council. District Committees will need to be able to manage their finances and meetings should take place in the community and be open to the public. Alternatively this could operate at a ward level.
- 42. If the decision is taken to retain the Districts exercising a powerful scrutiny function then the number of city-wide Scrutiny Committees should be reviewed and in light of this reduced to no more than 3. These scrutiny committees should focus on city-wide services and performance.
- 43. Other local authorities have grappled with how to ensure a smaller number of officers can provide effective support to members. They have concluded that a lower ratio of members to officers could help effective governance by enabling officers to support members better in their community role. They have therefore asked the Local Government Boundary Commission for England to conduct an electoral review with a view to producing a more effective model for representative governance.
- 44. Each ward in Birmingham is currently represented by 3 councillors. By reducing the number of members per ward and amending the ward structure, it would be possible for members to represent a smaller number of residents, to be better supported by officers and to save the council money.

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<sup>&</sup>lt;sup>12</sup> The three Clinical Commission Groups operating across Birmingham in some cases operate across existing local authority boundaries and do not align with other tiers of government.

- 45. In the interest of effective and convenient local government the Local Government Boundary Commission for England should conduct an Electoral Review, to reflect 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.
- 46. To help strengthen the council's ability to take strategic decisions we also recommend the Secretary of State changes the electoral cycle to all-out elections (see chapter 2, paragraphs 32-34).

### **Electoral Review**

The council currently has 15 of the 20 wards with the largest population in the country. By 2031 the council projects that 4 wards will have populations greater than 40,000. Plus, with 120 members the council is already on of the largest in the country. This is not sustainable.

By moving to predominantly single member wards, reducing the number of councillors and at the same time increasing the number of wards it is possible to alleviate the pressure of population growth while increasing accountability and saving money.

For example, by creating 100 mainly single member wards the average population of a ward in the city could be reduced to just 10,730 from 13,413. This would result in a direct saving of around £1.6 million over 5 years.

We are not making a recommendation on the number of wards in the city as that is for others to determine but our view is there needs to be a significant reduction on the current number of councillors.

## **Parish and Town Councils**

- 47. There is currently a single parish council within Birmingham. This is far fewer than in some other areas. For example, as a result of their historic geography, there are 15 parish and town councils in Greater Manchester and there are 32 parish and town councils in Leeds.
- 48. We were concerned that at a public meeting we attended the presentation given by BCC in Sutton Coldfield regarding the Community Governance Review was confused about the legal powers and responsibilities of parish and town councils.
- 49. Should residents of an area within the city wish to establish a new Town or Parish council a Community Governance Review should be completed, taking account of the statutory guidance. The Community Governance Review can recommend whether or not to create a new parish council, taking into account the wishes of the local community including a willingness to pay the additional council tax precept required.

We can see no reason that should prevent the creation of new town and parish councils within the devolution model that we have proposed.

## City region

- 50. The focus of this review is on the governance of Birmingham City Council. However, it is impossible to ignore the role that the governance and organisational capability of the council plays in the wider west midlands area nor the tight social and economic links across the west midlands.
- 51. In the future, like many other councils, BCC plans to organise more of its strategic economic services at the city region level. According to their Green Paper: 'Functions that support the economy and growth, such as strategic planning, transport, skills, business support, inward investment, major developments, are best carried out at city region level.' <sup>13</sup> In common with many areas of the country, BCC are seeking greater devolution of powers and finance from central Government to the city region.
- 52. The Local Government Select Committee has said that the first test for devolving powers is for local authorities to be 'able to demonstrate how their particular unit functions as an economic entity.' 14

## West midlands partnerships

BCC is a member of the Greater Birmingham and Solihull Local Enterprise Partnership (GBSLEP) alongside Solihull Council and the north Worcestershire districts of Bromsgrove District Council, Redditch Borough Council and Wyre Forest District Council and the Staffordshire districts of Cannock Chase District Council, East Staffordshire Borough Council, Lichfield District Council and Tamworth Borough Council. The Local Enterprise Partnership (LEP) members are coterminous and broadly border BCC to the north, east and south. The three Worcestershire districts are also part of the Worcestershire LEP, while the four Staffordshire districts are part of Stoke and Staffordshire LEP. To the west are the four Black Country authorities (Dudley, Sandwell, Walsall and Wolverhampton) who collectively form part of the Black Country LEP.

BCC is also a member of the West Midlands Integrated Transport Authority alongside: Coventry, Dudley, Sandwell, Solihull, Walsall and Wolverhampton. The West Midlands Integrated Transport Authority is responsible for setting the strategy, budgets, project prioritisation and submitting bids for funding for public transport related matters across the metropolitan West Midlands area. The seven councils in the area appoint one councillor each to sit on the authority.

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<sup>&</sup>lt;sup>13</sup> Responding to the challenge, looking to the future (2014).

<sup>&</sup>lt;sup>14</sup> Communities and Local Government Committee - First Report (2014) 'Devolution in England: the case for local government' paragraph 67.

- 53. We have been told that both Greater Birmingham and Solihull Local Enterprise Partnership and the Black Country Local Enterprise Partnership are examples of strong partnerships. In particular, it was made clear by many of the business representatives we spoke to that they saw the Local Enterprise Partnerships as good partners and the city of Birmingham and the west midlands as a great place to do business.
- 54. However, our economic analysis shows that neither Greater Birmingham and Solihull Local Enterprise Partnership nor the Black Country Local Enterprise Partnership alone cover the functional economic area centred around Birmingham and the Black Country at the heart of the west midlands. Coventry is in a separate LEP: Coventry and Warwickshire.<sup>15</sup>
- 55. In order to devolve powers it is important that there are effective governance arrangements in place across the functional economic area that can command the support of the local authorities within it. One option that local authorities in other areas have chosen is to create a combined authority.
- 56. Greater Manchester, the North East, Liverpool, West Yorkshire and Sheffield have already established combined authorities. Combined with appropriate devolution, these combined authorities have the potential to become powerhouses for economic growth. In our view the west midlands is behind the curve and risks missing out on this opportunity.
- 57. That is why we were pleased that BCC and the Black Country authorities have now announced their intention to form a combined authority to promote economic development and service reform.
- 58. We heard that part of the reason for the delay in establishing a combined authority in the area is the long history of relatively poor partnership working. We were told that in the past this was because Birmingham City Council had sought to lead the process and in doing so were perceived to be an over dominant partner. We welcome that BCC have told us they are taking a very different approach this time.

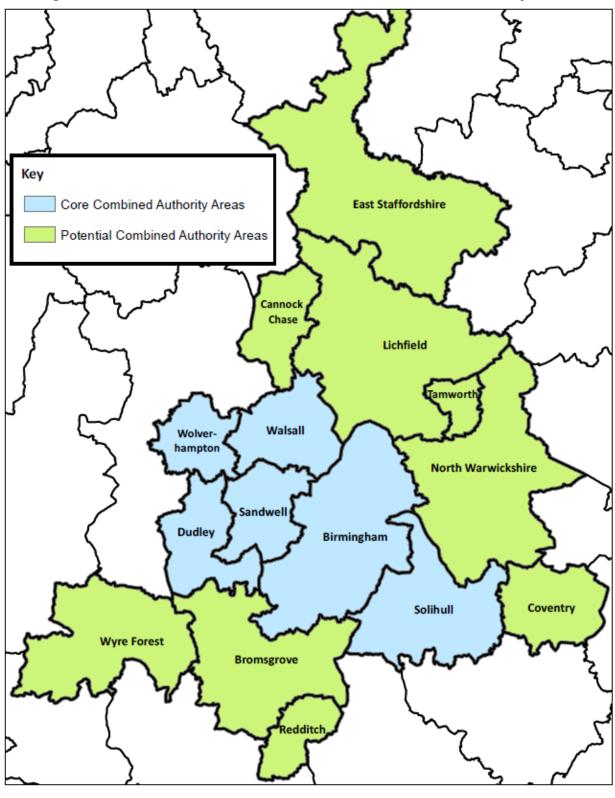
as 66.7% are accepted.

<sup>&</sup>lt;sup>15</sup> The most widely accepted approach to identifying Functional Economic Areas is by reference to "Travel to Work Area". This is defined so that: at least 75 per cent of residents work within it and 75 per cent of workers live within it (known as self-containment rates). The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low

- 59. To be able to operate effectively combined authorities should be based on the functional economic area and, given membership is voluntary, their members need to be able to form a strong and enduring partnership.
- 60. The membership of any new combined authority will be a local decision. As the governance structure of a combined authority needs to be agreed between all the members, there is potentially a trade off between the number of members and the amount of time it takes to reach agreement.
- 61. In our view, there is a real risk that if the ambition at the start is set to include all of the members of the two Local Enterprise Partnerships and Coventry and North Warwickshire it will take too long to reach agreement. This would constitute a combined authority of 15 members. <sup>16</sup>
- 62. The largest existing combined authority is Greater Manchester with ten members and they have been working together as Association of Greater Manchester Authorities since 1986. The Greater Manchester combined authority has one coterminous Local Enterprise Partnership.
- 63. The District councils that are members of the Local Enterprise Partnerships could only become full members of the combined authority without their counties subject to Parliamentary approval of the Government's draft Legislative Reform Order.
- 64. Attempting to form a combined authority of 15 members may risk delaying the devolution all in the local area are keen to see. One option would be for the Local Authorities with the strongest economic links to proceed to form a combined authority first.
- 65. Our economic analysis (below) indicates that he strongest links are between Birmingham, Dudley, Sandwell, Walsall, Wolverhampton and Solihull shown in blue. Our analysis shows weaker economic links with Coventry and other surrounding authorities but Coventry is part of the existing Integrated Transport Authority and has a track record of working together with the other members.

<sup>&</sup>lt;sup>16</sup> Subject to legislative change necessary to allow Districts to become members of combined authorities without the relevant upper tier authority.





<sup>&</sup>lt;sup>17</sup> Based on Annual Population Survey Commuter Flows. A Travel to Work Area is an area in which at least 75% of residents work within and at least 75% of workers live within.

- 66. This does not mean that partnership working with the other local authorities in the area that are not part of the combined authority should stop. On the contrary BCC's relations with other local authorities need to continue to get better.
- 67. Nor does it mean that a local authority outside those with the strongest links that is able to do so within the existing legislative framework could not join any new combined authority from the start if there is local support to do so. The governance review should consider this.
- 68. 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.
- 69. We also recognise that combined authorities are not appropriate everywhere. For example, councils can and do work together without a combined authority or Economic Prosperity Board. Local Authorities in the surrounding area and beyond will continue to work in partnership with the individual members of the new combined authority without necessarily having to become full members themselves. The existing Local Enterprise Partnerships footprints would support such an approach.
- 70. Given the risks associated with significant devolution in areas smaller than the functional economic area, we believe the proposed combined authority is essential before further devolution can occur. There should then be an agreement with Government over what devolution of powers will follow.
- 71. The Greater Manchester combined authority will shortly have the first metro-wide elected Mayor outside of London. The new combined authority may wish to pursue this model but it must not be allowed to become barrier to getting on with the job of establishing the new authority.
- 72. The prospective members of the new combined authority will undertake a governance review and set out their plans for how the new authority will work in practice. <sup>18</sup> The legislation provides for a wide range of options. **Based on the experience of other combined authorities we suggest 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;

<sup>&</sup>lt;sup>18</sup> In legislation this is the 'final scheme' for the establishment of a combined authority.

- 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.

## Chapter 2 – Leadership & strategy

### Introduction

- 1. According to the Local Government Association (LGA) there are five factors that are critical to council performance and improvement. Councils need:
  - a. effective political and managerial leadership, working in partnership;
  - b. to understand their local context and establish a shared long-term vision for the future with a clear set of priorities;
  - c. effective governance and decision-making arrangements that respond to challenges and manage change, transformation and disinvestment;
  - d. the organisational capacity and resources focused in the right areas in order to deliver the agreed priorities including a workforce that understands what the priorities and supports their delivery; and,
  - e. a financial plan in place to ensure its long term viability and to be sure it is being implemented and a performance management plan that manages delivery. <sup>19</sup>
- 2. We have sought to establish whether Birmingham City Council (BCC) has the culture, behaviour and expectations needed to manage the change they are seeking.
- 3. For a number of years and successive administrations, the council's members and senior officers have not gripped some very significant issues, such as children's services, waste management and equal pay. Instead there have been a series of short term financial fixes and annual salami slicing of services that have kicked the can down the road. As the Leader has made clear, this is no longer sustainable.
- 4. We have found that the clear boundaries that should exist between the roles of members, who should set the strategic direction of the authority and hold officers to account for delivery, and the operational role of officers have become blurred. For the council to improve this must change.
- 5. BCC's partners in the public, private and voluntary sectors want to understand what the council and the city will look like in the future. But we did not find a widespread understanding of the long term vision for the city or the council's future or that there is sufficient clarity around the priorities the need to be addressed. Instead there are

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<sup>&</sup>lt;sup>19</sup> Based on the current headline questions/areas looked at by Local Government Association corporate peer challenges.

- numerous strategies, plans and processes developed to different timescales which promote unnecessary bureaucracy and blur lines of accountability.
- 6. The council does have a clear annual policy statement from the Leader setting aims and objectives for the coming year and an implementation plan is in place and monitored to deliver these. But this does not translate into a coherent strategic planning process and the council does not have sufficient corporate capacity to manage delivery effectively. In particular, it lacks the capacity that the Chief Executive and corporate leadership team require to work together as an effective team.
- 7. As the council becomes smaller, in order to continue to deliver the services it's local residents need, it must grow stronger. A skilled, motivated workforce is a prerequisite. While the council has started the work that is needed to develop a new workforce strategy (see paragraph 50) it does not yet have the workforce strategy it needs for that to happen or the processes in place to manage the workforce effectively.
- 8. We consider BCC's financial and performance management systems in greater detail in chapter 3.

## Political and managerial leadership

- 9. BCC has a strong and visible Leader. All the Cabinet members we spoke to recognised improving children's safeguarding as a collective priority for the council. The Quartet is providing a clear focus for this work. The political culture is not destructive and member/officer relationships are generally cordial.
- 10. However, too often we heard that deep rooted problems have been swept under the carpet, by successive administrations, rather than being addressed. The response to the Trojan Horse incident is one example but there are others, for example, while other local authorities managed equal pay claims efficiently, BCC deferred until the scale of the problem became almost unmanageable. Also despite the woeful track record of failure in children's services, the council failed to address the need to recruit and retain sufficient frontline staff.
- 11. To improve the most important thing the council has to do is to change its corporate culture. Everyone in Birmingham City Council needs to take personal responsibility for confronting and changing the mindset that says the council's problems are unique to the city and can be explained by its size. Members need to have a realistic vision for the city and the council's future that is achievable. Officers need to be honest about the tough decisions and trade offs that will be needed to get there. Issues need to be confidently raised and dealt with rather than ignored or put off.

12. Instead of an effective partnership between the political and managerial leadership of the council we have consistently heard that the respective roles of members and officers are blurred in practice. In the words of a Cabinet member: "councillors pretend they are officers, and officers occasionally pretend they are councillors."

"Cabinet Members have to delve down to the operational level to make things happen." Cabinet member

"Cabinet members need to be better at managing performance at the right level... they need the ability to step back and see the big picture and we need to be better at presenting the big picture." Senior council officer

"Birmingham members are much more involved in detailed work than in neighbouring authorities." Local government partner

- 13. While we heard this was partly the result of members' frustrations and feeling they needed to intervene in detail to ensure their decisions were implemented, this is not healthy. It is a clear sign that the governance of BCC is not operating the way it should.
- 14. We were also concerned that the Governance, Resources and Customer Services Overview and Scrutiny Committee informed the Review that some members believe that they do not receive sufficient training to be able to be effective, for example to be able to monitor Key Performance Indicators. They need better training to do so (see also chapter 4).<sup>20</sup>
- 15. Birmingham City Council's governance needs to be reset in the following ways:
  - a. the council needs to clarify roles, responsibilities, behaviours and ways of working expected in relation to the of the Leader, Cabinet, councillors Chief Executive and officers. The strategic, executive, independent scrutiny and community roles of members 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. there should be a programme of culture change that is owned by both members and officers.

<sup>&</sup>lt;sup>20</sup> Governance, Resources and Customer Services Overview and Scrutiny Committee 7 November 2014.

## A one city approach for Birmingham

- 16. Other local authorities, such as Leeds (see 'Example Strategic Planning Framework' box p.35), have used their civic leadership role to develop a shared narrative and priorities for their city's future. They have used this to help agree shared strategic objectives across the city and to form the partnerships that are needed to deliver them.
- 17. Birmingham City Council has articulated three goals: a fair, prosperous and democratic city. The council has placed a particular emphasis on achieving these through a process of 'triple devolution'. The council also has a prominent annual policy statement by the Leader.
- 18. However, we did not find a shared understanding among the political leadership, officer leadership, council staff and partners of a long term vision for the city and the council nor was there a consistent description of what 'triple devolution' means in practice (see chapter 1). We were told that the lack of this is significant issue preventing the council from forming the partnerships it needs (see chapter 4).
- 19. Perhaps most worryingly, our discussions showed that local communities lack clarity over the long term vision and what the council are trying to achieve for the people of Birmingham. Therefore, the council are unable to articulate to communities what their priorities are and give those communities a sense of demonstrable progress.
- 20. So while the Leader's Policy Statement sets out clear priorities on an annual basis it is not alone sufficient.

"What is the vision for the city in 10 years' time? No one knows!" Faith Leader

"We know of the Leader's Policy statement but it's up above us." Frontline staff

"We only know about triple devolution via the Birmingham Mail." Health sector partner

"There is no feel in communities for the strategy or vision for the city." Community representative

21. What we did find was a universal desire for the narrative surrounding the city to improve, so we believe there is a significant window of opportunity and real potential to start to do so.

- 22. BCC should adopt a one city approach and support the development of a new long-term vision for the city of Birmingham, which we call the 'City plan'. This should be approved by the new independent Birmingham leadership group (see chapter 4).
- 23. The vision should be for the long term. It should be shared by as many of the civic leaders in the city as possible, it should articulate the city's values not just the council's alongside the ambition and the outcomes they want to see. The vision then needs to be used to drive the strategic planning and performance management of the council (see below and chapter 3) and its partners.

## **BCC's Strategic Planning framework**

- 24. BCC's current strategic planning process comprises:
  - a. the council Business Plan 2014 which sets out the annual budget and long term financial strategy of the city council and plans for assets, capital investment and other resource issues to deliver the council's priorities. This is approved by the council each March;
  - b. detailed Business Plans for city council services and directorates comprising internal documents that show how resources will be deployed to achieve objectives we have set within each service area. These are "produced early in each financial year"; and,
  - c. the Leader's Policy Statement, which sets out the core purpose and goals of the city council, and the priority programmes and strategies to be developed or implemented in the year ahead. This is published in June or July.<sup>21</sup>

25. We believe there are 3 problems with the current approach:

- a. strategy is the scope and direction of an organisation over the long term. BCC's annual time horizon is not strategic;
- b. the Leader's Policy Statement is implemented after the resource planning process. It therefore cannot set resource allocation in a sensible way; and,
- c. there is conflicting measurement of performance. Nobody is clear on what the priorities are and where accountability lies, so decisions can be avoided and lines of accountability are unclear.

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<sup>&</sup>lt;sup>21</sup> This is set out in the Leader's Policy Statement 2014, p.7. We were also informed that District Committees were being asked to produce individual policy statements each autumn but this does not appear to be publicly documented yet.

#### **Example Strategic Planning Framework**

**Vision**: sets out the long term vision and aspirations for the city.

**City Priorities Plan**: outcomes / priorities to be delivered by the council and partners over next 4-5 years, includes a set of indicators to measure progress.

**Council Plan**: sets out the strategy for making it easier for people to do business with the council and for achieving the savings and efficiencies required over 4-5 years.

**Financial Strategy and annual budget**: approved budget for revenue spend for the year which is developed and agrees each year within the context of longer term financial planning. Sets out how resources will be aligned to the council ambitions for the next 4 year period.

**People Plan 2014 – 17**: 4-5 year workforce plan setting out how the council will achieve its ambitions through its people. Underpinned by the council values, commitment to joint working and civic enterprise through working with the public, private and voluntary sector

Annual service plans, team plans and appraisal objectives: set out what each service is seeking to achieve including contribution to the delivery of the Council Plan and City Priority Plan, business as usual activity and any service improvement or development objectives. Link from strategic level plans through to team plans and individual appraisal objectives which are developed from service plans.

**Area / locality planning**: at community committee, ward and neighbourhood level a range of plans exist which bring together priorities based on specific local needs of an area. These are tailored to reflect local circumstances.

"The Leader's priorities come after the corporate plan, it's crazy. No business can operate this way." Council middle manager

"The Leaders' policy statement has 96 actions [sic] in it and doesn't translate into an operational plan over the long term with funding attached." Senior council officer

26. That damaging combination of an absence of a strategic plan and the lack of corporate grip has created the space for a multiplicity of strategies, plans and processes which has created unnecessary complexity and confusion. As a result, staff and managers are being left behind.

"There must be a five year plan but it is kept from staff – it's all too much of a roller coaster." Frontline council officer

"The 5 year future shape of the organisation doesn't exist." Senior council officer

- 27. The result has been the sense among some staff that changes are simply the next 'initiative' which they can safely ignore. We were told that in some parts of the council there is now a culture of what was described to us as "organisational disobedience".
- 28. This cannot be allowed to continue. As BCC becomes smaller the whole organisation will need to be tightly focused on a small number of priorities, everyone from the political leadership to the frontline will need to understand these and know what their role is in delivering them and why that is important.
- 29. It is clearly right that the vision, direction and priorities of the council should be set by the political leadership. BCC needs to resolve how to achieve this in practice. It should learn from how other councils, like Leeds, manage this process.
- 30. We did not find any evidence that external partners have helped shape the Leader's Policy Statement or the business plan. As the council reshapes how it works to get the best of very limited resources across the whole of public services in Birmingham it needs to work much harder to align its priorities with its partners. Part of the way to do so is to be clearer about the overall direction of travel, and then to bring partners and communities into the planning process (see chapter 4).
- 31.BCC should develop a simplified planning framework. This should flow from the City Plan, include a medium term (3-5 year) strategy developed with the council's partners, a strategic workforce plan and annual business planning and budgeting. The Leader's Policy Statement should either be discontinued

as a stand alone document or brought within the annual corporate planning cycle.

### **Election by thirds**

- 32. Part of the problem in Birmingham is the culture of short-termism. There is an inability to focus on longer term problems, including transforming services, that is holding the council back. It also encourages members to become too involved in operational issues.
- 33. We believe that, especially in conjunction with an electoral review, changing the electoral cycle to all out elections can have a significant impact on a council's ability to change and adapt, provide stability in decision making and aid long term planning and vision.
- 34. The Secretary of State should move Birmingham City Council to all out elections replacing the current election by thirds.

#### **Organisational capacity**

- 35.BCC has recently restructured into three large Directorates: Place, People and Economy. Overall, we have been told that this is broadly supported. It is seen as a step in the right direction in helping to strengthen cross-departmental working, but in common with Peter Clarke, Ian Kershaw and Prof Le Grand we found it has not eliminated silo working.
- 36. The trade off has been indistinct leadership in certain areas, for example housing. One partner told us that while "collaboration is good initially [at a senior level]" it quickly "becomes more difficult".
- 37. This is not insuperable but it makes it more important that the corporate leadership team have the ability and the capacity to work as a collective.
- 38. However, there are currently bespoke performance management, finance, procurement, commissioning and communications units in Directorates which people told us act independently and in competition with the corporate function. The reasons suggested for this included lack of trust and retention of power in individual units. This is wasteful, detrimental to a 'one council' ethic and needs to stop.
- 39. This is capacity that should be being used to support the Chief Executive and the corporate leadership team. As a result, they lack the support and capacity that is needed to work together as a team and undertake their role effectively.
- 40. In order to achieve strong corporate governance and coordination of the council's required transformation, support services such as finance,

# commissioning, performance management, Human Resources, IT and property should be managed corporately.

- 41. The Chief Executive is currently also responsible for the economy directorate. We have found that this leaves him with too little time to lead and, in particular, to focus on service transformation. We also believe that the scale of the challenge is too big for the existing corporate leadership team to manage. 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 provide the capacity that is needed for the Chief Executive to play his corporate leadership role.
- 42. We are not confident that BCC has the capability or the capacity it needs to improve. BCC need to ensure that their senior leadership team is structured in such a way as to bring strategic leadership with the focus, capacity and energy to drive the improvement of service delivery, especially in schools and children's social care.
- 43. The interventions led by Lord Warner and Sir Mike Tomlinson are helping to address this issue in children's and education services. However, given the scale of the governance problems the council faces we believe further support will be needed. Chapter 5 sets out our recommendations for an improvement panel to provide the robust challenge and support that will be required.

## Workforce planning

- 44. BCC has found it particularly challenging to manage headcount reductions while ensuring resources are focussed where they are needed. Headcount has fallen from just over 20,000 full time equivalents (FTEs) in 2010 to around 13,000. BCC's view is that headcount will have to decline further to around 7,000 FTEs by 2018.
- 45. For BCC to be able to operate at the size it considers it needs to be in the future this must change. As BCC becomes smaller it becomes even more important that the staff with the right skills and knowledge BCC needs are retained. This will require investing in the staff who remain, as well as the ones who go.
- 46. We have not been able to form an assessment of whether BCC's planned headcount reductions will leave the council with the capacity it needs in the future because we have seen no evidence of proper workforce planning.
- 47. However, both Lord Warner and Sir Mike Tomlinson have identified a lack of capacity and capability below the corporate leadership team. In particular, Lord

- Warner has found the council is unable to recruit sufficient social workers so relies heavily on agency staff – currently about 27% across all social worker grades.
- 48. Instead of a workforce strategy based on an analysis of what capacity the council will need in the future headcount reductions have been determined by the individual decisions of those staff who have chosen to take up the offer of a generous severance package.

"The second round of Voluntary Redundancy was meant to target particular areas but it didn't really work out that way." Council officer

"The redundancies have meant that the expertise and capacity in the council is gone." Voluntary and Community Sector representative

- 49. We were consistently told that the voluntary redundancy scheme has resulted in a loss of good staff and institutional memory. Because of a lack of workforce planning and a failure to reshape roles, the staff who remain feel they are doing the job of two or more people. Partly as a consequence, staff turnover is very high in some critical areas, including Children's Services, at all grades.
- 50. We therefore welcome the Leader's commitment to planning further workforce reductions and the council's 'Future Council, Future Workforce' initiative and Big Conversations with staff. These are all a promising start. But for this to be successful it must be underpinned by a long term vision for the size and operating model for the council itself.
- 51. We are concerned that as well as lacking a strategy to manage headcount reductions BCC does not have the processes in place to manage the workforce effectively.
- 52. The Employment and Human Resources Committee is not operating as it should. The first function listed in the Committee's Terms of Reference is 'holding management to account for the development of the council workforce strategy'.<sup>22</sup> The Committee must therefore ask itself why, to use the Leader's words, BCC has 'not given enough attention to how we manage staff reductions and plan[ing] the workforce we will need in the future' and that there is no workforce strategy.<sup>23</sup> Instead we were told by a number of people that the Committee has an obsession with micro management of recruitment.

 $<sup>^{22}</sup>$  Terms of Reference agreed on 19/06/2012 and agreed again on 18/06/2013. Statement to City Council -  $16^{\rm th}$  September 2014.

"Human Resources processes are a nightmare. You need to have some workarounds." Cabinet member

- 53. Our view is the Committee has failed in its primary responsibility and has become too drawn into operational workforce issues. This is may be due to the Committee's view that the Human Resources function has not been good enough but their job is to hold officers to account and that has not happened.
- 54. BCC should undertake a fundamental strengthening of their Human Resources (HR) function.
- 55. The strategic role of workforce planning and HR policy should be vested in an existing Cabinet member. The Cabinet should not delegate this vital role. Members' roles in workforce issues, beyond the Cabinet, should be limited to scrutiny, appeals and the appointment of Chief Executive, Strategic Directors and Directors. The Cabinet should ensure strategic workforce planning supports the council's priorities.
- 56. 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.
- 57. 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 attract and retain permanent staff.
- 58. Performance management is covered in the following chapter.

## Chapter 3 – Financial and performance management

#### Introduction

- 1. Performance and ability to improve also rests on having a financial plan in place to ensure the long term viability of the authority and a performance management system that enables the council to manage delivery.
- 2. Like many local authorities, Birmingham City Council (BCC) is facing very significant financial challenges. This means that it needs to change the way it operates and rethink the way it does business with its partners and with those it serves. As the council becomes smaller and delivers more with and through others, efficient financial and effective performance management becomes even more important.
- 3. The question we have sought to answer is therefore whether BCC has in place plans that match financial challenges it faces and a performance management system that is able to ensure delivery.
- 4. BCC's core financial management processes are improving and the council has plans to set a balanced budget for 2015/16. However, without substantial reform some services will become unsustainable in the next few years. The council have not yet gripped the scale of the change that is necessary and have let some issues build up over many years so that the problem they face today is acute. The council needs to take decisions that will ensure it is able to set a budget for the next 3 years without the expectation of further funding from central government.
- 5. We have found performance management to be patchy. There is no clear line of sight from Key Performance Indicators to staff performance; BCC rely too heavily on data that is not robust enough rather than allying it to local intelligence and are not managing their workforce's performance well enough.

#### **Financial management**

- 6. BCC have reduced costs substantially since 2010. By the end of this financial year BCC will have been required to save £461 million and expect to be required to find a further £360 million before 2017/18.
- 7. Subject to confirmation in the Local Government Finance settlement, Birmingham's spending power is likely to reduce by 5.7% next year.<sup>24</sup> This is a significant amount but other Local Authorities are also likely to have to make similar reductions.

<sup>&</sup>lt;sup>24</sup> Spending power measures the overall revenue funding available for local authority services, including Council Tax, locally retained business rates and government grants.

- 8. However, BCC faces some distinctive challenges:
  - a. despite a large population, Birmingham has a relatively small Council Tax base. A 1% increase in Council Tax in Birmingham raises the equivalent of £2.39 per resident. In Leeds the equivalent rise would equate to an additional £3.28 per resident;
  - b. at £3.1 billion BCC's debt is high in comparison to other core cities. The next highest is Leeds at £1.8 billion;
  - c. there is a steep increase in the level of savings required in the period to 2018/19;
  - d. there are significant, though plateauing, equal pay liabilities estimated at around £638 million. <sup>25</sup> BCC has plans to sell some major capital assets in order to meet these; and,
  - e. the changes to the council's Minimum Revenue Provision (MRP) have used up one inventive solution and they have very few options left.
- 9. BCC's core financial control is improving. For the first time in recent years the 2013/14 accounts were completed on time and the external auditor has positively commented on this, the quality of the working papers and the low level of errors. The council's grip on treasury management and asset sales are very strong.
- 10. The council has taken some effective decisions to achieve the savings that have been required so far. There is a robust monitoring process in place to ensure that savings that have been identified are delivered. This includes a Star Chamber chaired by the Deputy Leader that helps ensure the senior officers and Cabinet Members are closely involved.
- 11. Over the past 2 years the council has undertaken a series of Services Reviews to try and transform services and identify savings. A series of additional short term reviews into areas such as property have been commenced this autumn alongside a series of task and finish groups in relation to transport services, early years, housing, libraries, culture, street services and potential for additional European Union funding.

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<sup>&</sup>lt;sup>25</sup> Grant Thornton (2014) Annual Audit Letter for Birmingham City Council, p.3.

## Case study: Refuse collection and waste disposal

BCC's Green Paper identifies Refuse Collection and Waste disposal as a very high priority service for protection. However the evidence suggests it is underperforming.

In 2013/14 BCC spent more than the average on environmental services. However, recycling is lower and the incidence of fly tipping is among the highest in the country. We heard considerable dissatisfaction from communities about both the service and how the council communicates.

As part of the bid for support for weekly collections the council agreed to consider market testing the service and options for greater partnership working. Evidence supplied by the council to the Review suggests an externalisation of collection services could save £14.6 million p.a. by 2020/21. However, the Green Paper does not include this as an option.

## Case study: Birmingham Library services

The new Library of Birmingham opened in 2013 and has received praise for the quality of its design.

It was originally envisaged that a significant part of the cost would be funded by external sources but in the event the council used prudential borrowing.

The library cost £188 million to build and the majority of the costs were funded by adding to the council's debt. It costs around £10 million p.a. to run the new library.

The entire existing community library service costs around £6 million p.a. and 4 community libraries have been earmarked for closure.

12. Our view is that the reductions so far have been too reactive and tactical.<sup>26</sup> This is not sustainable. They need to be more strategic, transformational and underpinned by stronger analysis. A step change is needed.

"Endless line-by-line service reviews won't get the council where it needs to be." Senior council officer

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<sup>&</sup>lt;sup>26</sup> For example, in a press notice issued on 10<sup>th</sup> November 2014 the council described their £25 million procurement of utilities as 'relatively unsophisticated' and that the council needed to 'start operating in a more efficient and coherent way'.

13. The council faces significant challenges to balance its budget in 2015/16. It is seeking £41.6m of additional funding from Government for children's services. If this is not forthcoming in 2015/16 then the council expects to be required to use most of the one-off windfall money secured from the changes to the Minimum Revenue Provision for children's services in that year.

## Adjustments to BCC's Minimum Revenue Provision

In 2014 the council changed its Minimum Revenues Provision Policy in a number of ways. This is a creative move that has had the effect of producing savings on debt repayments in the short term as the payments are made over a longer time period. In effect the council sees a saving each year for the first 22 years and a net increase in costs thereafter up to the end of the write down period for the asset i.e. the next 18 to 28 years. In 2015/16 this will save around £50 million p.a. for the first 22 years. However, it adds £1,148 billion additional costs over the lifetime of the proposals.

- 14. This will leave the council with a combination of low reserves and a huge financial challenge in 2016/17 and 2017/18.
- 15. According to the latest long-term financial plan BCC will be required to find additional savings of £80.2m in 2016/17 and £137.9m in 2017/18. It is seeking £265m of additional grant funding from Government over 2016/17 and 2017/18 years for a mix of children's services and general use. Excluding the additional money the council is seeking for children's services, if the additional grant funding is not forthcoming BCC expect to have to save an additional, £56.2 million in 2016/17 and £68.8 million in 2017/18.

## **Equal Pay**

Birmingham City Council, unlike many authorities, has still to fully address its equal pay issues and therefore faces continued, significant equal pay liabilities.

To date, Central Government has provided the council with permission to capitalise around £530 million to help manage its equal pay costs. To assist authorities still managing equal pay liabilities, the Government also amended regulations to enable councils to use capital receipts from asset sales to fund outstanding equal pay claims.

The council has been addressing, defending and settling its Equal Pay obligations since 2007. Some have questioned whether the council's approach to managing its equal pay issues contributed to the size of its liabilities and whether they could have been settled sooner.

- 16. The existing service review process appears to have been based on the assumption that that the additional funding from central government will be made available in 2016/17 and 2017/18 when that decisions is completely outside the council's control. We have not been presented with evidence that the council yet has a credible Plan B if the additional funding does not materialise.
- 17. It would be more prudent to base service reviews on scenarios that did not assume the money will be made available. As it stands, there is a clear risk that they will need to reopen service priority decisions on which they have already started consulting.
- 18. The council's recent Green Paper makes clear reserves can only be used once and also states that the Government declined to make the changes BCC sought to the local government finance settlement. However, what is not clear to residents is that the council is basing its medium term plans on receiving additional funding from central Government.
- 19. This is in contrast to Leeds City Council that provides much greater clarity about the council's existing position and performance. Their budget report provides a good holistic overview in that it includes Housing Revenue Account, risk management, financial and performance dashboards. Their future plans are not based on receiving additional funding from central government. Birmingham would do well to learn from this approach.
- 20. Councils across the country are finding innovative new ways of working in partnership with their residents to help find the savings that are required. There are no easy solutions and tough decisions will be required.
- 21. By working together with local communities relatively modest steps can help pressure on resources by reducing the consumption of services and supporting local communities to help themselves and, where necessary, giving people the tools they need to do so.
- 22. There are good examples of this happening in Birmingham. For example, the parks service is drawing on the expertise and enthusiasm of 140 'friends of the park' groups and a number of Community Asset Transfers have taken place. However, we did not see any evidence of demand management being systematically applied across the organisation as is happening elsewhere. For example, the 'Birmingham Promise' sets out a series of expectations for service performance but what it doesn't do is set out what the council needs in return from communities to meet them.
- 23.BCC 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; and,
- c. ensure that the council regularly reports on progress to the independent improvement panel.

## Performance management

- 24. Performance management is defined as 'a process which contributes to the effective management of individuals and teams in order to achieve high levels of organisational performance. As such, it establishes shared understanding about what is to be achieved and an approach to leading and developing people which will ensure that it is achieved.'27 It should be both strategic and integrated into the organisation.
- 25. The council's approach to Corporate Performance management is set out in the council business plan.<sup>28</sup> Performance management of the priorities in the Leader's Policy Statement is also monitored by the separate Leader's Performance Report.
- 26. At the moment there are 3 sets of Key Performance Indicators (KPIs). 2 are monitored centrally and mapped:
  - a. Council Business Plan Measures There are 50 Business Plan Measures (made up of 49 KPIs and 1 initiative); and,
  - b. Leader's Policy Statement (2013) 110 initiatives.
- 27. In addition there is further suite of KPIs that some Directorates monitor that are agreed as part of their planning process at the start of the year.
- 28. We were told that the council has started to streamline its corporate planning processes; for example it has successfully cut the number corporate KPIs in the Business Plan from 120 to 49. However, the Leader's Policy Statement creates additional priority 'initiatives' – 110 in 2013 alone. There is also, as set out in chapter 2, disconnection between the Leader's Policy Statement on the one hand and the business plan and budget setting on the other.
- 29. The multiple levels of KPIs and different locations for monitoring delivery demonstrates to us that corporate performance is not being effectively managed from the centre (see chapter 2, paragraphs 38-40). As a result, the council is struggling to deliver some of its residents' priorities. 66% of corporate KPIs were

<sup>&</sup>lt;sup>27</sup> Armstrong and Baron, CIPD, 1998. <sup>28</sup> Council business plan 2014+ pp.55-66.

missed last year and just 39% of KPIs in first quarter of this year were on track. 84% of the available Leader Policy Statement Actions were achieved by the yearend and another 15% that were behind schedule at that stage.

30. To provide effective leadership, members and senior officers need the discipline to agree a small number of shared priorities and then have the appropriate processes to monitor the delivery.

"We can tell you until it hurts about underwater origami [in services] but intelligence has been lost." Senior council officer

"Even [performance management] systems which are good, are not really followed through. The organisation does not focus on measuring metrics at a strategic level." Council officer

"Accountability to District Committees enables a local focus, but detracts from the wider strategic challenge. At the same time, the performance information provided to District Committees is limited and some cases not robust." Council officer

- 31. In addition we were told that the council currently relies on data that is too often unreliable and does not give the full picture of how services are performing.
- 32. The significant risk is without allying the numbers to a deeper sense of how services are performing on the ground, and what the emerging big issues are, an illusion of management control is created. Trojan Horse is an example of just how serious the problems can become as a result.
- 33. The council needs to focus effort and capacity on getting basic services operating efficiently and effectively. That means ensuring that waste is collected, not left on the streets, Council Tax is collected, and care is provided for the most vulnerable and elderly. Nothing in this report should detract from that focus. That must include getting on with the vital task of improving children's and education services that is being supported by Lord Warner and Sir Mike Tomlinson.
- 34. Addressing this in a council the size of BCC places a particular emphasis on members, both executive and non-executive, in their role as community representatives and organisers, to understand how services are performing in their wards (see chapter 4). This should not be confused with micro-management or engagement in operational decisions.
- 35. It also requires staff to feel they have a safe and secure outlet available should they suspect wrongdoing and to know that action will be taken as a result.

- 36. The whistleblowing processes that are being put in place in the child safeguarding service should also be mirrored in the council's other services.
- 37. BCC's staff need to understand how what they do contributes to the overall direction of the city, how it benefits residents and be managed and developed to be able to deliver. In the words of one senior manager we spoke to "turning KPIs into human management is key". This is what has been described as the golden thread that flows from the overall vision for the City to individual members of staff. Enabling frontline staff to know how what they are doing makes a personal contribution to achieving the city's priorities.
- 38. In some parts of the council we found there is a genuine desire and achievement of proper performance management. But this is, at best, patchy. For example, Lord Warner has found that social workers lack the supervision and development that is needed to ensure their progression and retention.
- 39. As BCC's headcount reduces it is imperative that the organisation is able to recruit, develop and retain staff, and ensure that those who are performing poorly leave or improve.
- 40. Peter Clarke's review found that the council relied on securing compromise agreements with headteachers instead of confronting serious problems. We were told by one senior interviewee that the council are using compromise agreements in other parts of the council "largely because of poor management and people not being held to account" rather than the council tackling poor performance head on.
- 41. In addition, as of August 2014 only 6% have been assessed to be performing poorly. In contrast 77% of staff were assessed to be performing above average.<sup>29</sup> Our conclusion is that poor performance is not being addressed and the existing annual appraisal process and Performance Development Review is not operating as it should.
- 42. In Chapter 2 we set out that the proper respective roles of members and officers had become blurred and that this needs to change. We were told that officers' performance reports are not linked to delivery of the council's KPIs. To provide members with greater confidence that officers are focussed on delivering the council's priorities this must change.
- 43. 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

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<sup>&</sup>lt;sup>29</sup> BCC (2014) PDR Corporate Moderation and Pay Progression 2014.

a clear line of sight from the council's strategic priorities, annual business planning and the performance management system.

## Chapter 4 – Communities and partnership

#### Introduction

- 1. All local authorities need to work with their partners in the private, public and voluntary and community sectors. It is the quality of these partnerships that is often one the most critical factors in the success or failure of many services. This is becoming more important as councils, their partners and communities need to work better together as there is less money available.
- 2. In general, partnerships work best when people and organisations are not compelled by authority to work with one another, but do so because they want to. BCC has neither a monopoly on problems or solutions, but should be a positive, collaborative contributor right across the life of the city of Birmingham and the wider west midlands. Our evidence shows that by and large this is not the case in Birmingham's dealings with the majority of its partners.
- 3. By far BCC's most important partnerships are with the residents it serves, and yet despite the recent progress the council has made we have found many communities feel unable to raise issues, nor have a route to engage or have their voices heard.
- 4. It is essential that Birmingham should adopt a one-city approach, and that the council needs to gain the strong support of partners and communities to improve.

## Birmingham City Council's approach to partnership working

- 5. Many councils and their partners are increasingly recognising that by aligning their objectives, activities and resources more closely they can maintain service quality while saving money.
- 6. Under the model of triple devolution Birmingham City Council state they want to work: 'more closely with other agencies such as health, social care providers and schools, integrating services and ultimately creating a "Budget for Birmingham" which brings together all the funding for local public services and allows the various agencies to work together to plan provision. 30
- 7. To support this, Birmingham are taking steps to foster the 'open policy making' approach in the council.31

Leader's Policy statement, p.25.
 See <a href="http://www.bhampolicycommunity.org.uk/">http://www.bhampolicycommunity.org.uk/</a>

- 8. However, time and time again we were told that the fundamental philosophy that underpins BCC's approach to partnerships is wrong. The overwhelming view of those we have spoken to is that partnership working in Birmingham needs to be fixed, and that failure to form effective partnerships is creating significant problems for both the city and the wider area.
- 9. This does not mean that there are no examples of good partnership working. We have seen areas such as The Multi-Agency Safeguarding Hub (MASH) and the Greater Birmingham and Solihull Local Enterprise Partnership that are working well.
- 10. We are also aware that in any partnership there are two or more sides to the story. However, when we spoke to representatives from BCC's partners within the city a clear pattern emerged from nearly every conversation.
- 11. We were told that BCC do not treat their partners as equals. The council has an attitude of "if it's worth doing, the council should do it". This paternalism alienates partners and means the council is failing to reconfigure services.
- 12. The criticism from the council's partners is that their concerns and priorities are not listened to. The council develops plans alone without input from their partners (see chapter 2) and then expects to discuss how others can contribute to what they feel are the council's predetermined priorities.
- 13. They feel the council isn't open to constructive challenge by partners and falls back on the default position that their size and complexity allows them to underachieve.

"Commissioning is one of our bug-bears. There is a 'computer says no' approach, with very risk averse legal advice. The council also call things commissioning when they are procurements." Housing partner

"They have a one- contract approach to commissioning and procurement which leaves a – 'we can't fit it in, so we won't' and old fashioned approach. We'd like to explore more opportunities for local delivery for better value for money but the council aren't thinking about transformation." Community group

14. There is a mixed view of BCC's approach to commissioning and procurement across all sectors. We were told that the joint venture between the council and Capita 'Service Birmingham', is not operating well and the council is bringing the contact centre back in-house. While not unexpected, the voluntary and community sector representatives we met were sharply critical of the council's approach to procurement and commissioning.

15. Commissioning is undertaken by individual directorates with only a small central team that does not have the capacity to consistently provide the support that is needed. We were told by voluntary and community sector representatives in particular that the council does not apply an understanding of the local area in the commissioning arrangements, which they claimed in some places has resulted in misalignment of intentions with commissioning outcomes (see chapter 2).

## Opportunities are being missed

16. To be able to work more closely with other agencies and work together to plan provision, Birmingham City Council needs to work with their partners to develop a shared mission for the city and then seek to strategically align motivation, money and monitoring.

"Need to wave wand and make Birmingham a positively influential and collaborative player." Police officer

"In [other local authorities] there is strong partnership working to support new heads, in Birmingham there's nothing." Headteacher

"Birmingham are a hard to reach partner. They want to do partnership but only on their own terms." Health sector partner

"[The] council needs to move from a paternalistic style to a more enabling and empowering style of leadership." Housing partner

"Birmingham City Council come to us when they want something. It feels tokenistic... the council don't believe that the third sector can be part of the solution." Voluntary and Community Sector partner

"Birmingham need to recognise the rounder picture and be interested in taking partners with them. The baggage around the Birmingham attitude is so long standing, to shed it will be a long game." Local authority partner

- 17. Overall, partners have said they want to engage more with the council and discuss opportunities to transform services but at the moment they do not know whether this would be welcomed.
- 18. That is because there is no shared vision for the city and agreement on the outcomes the council and its partners want to see achieved (see chapter 2). We were told that as a result, discussions around aligning of resources and efforts to achieve common goals for the good of the city are not happening as they should be.

"There is a lack of vision and clarity over what the council should continue to do in a world with less funding. Lots of boards exist where VCS has a voice, but no strategic 'umbrella' to ensure that different projects and resources are aligned to a common goal." VCS partner

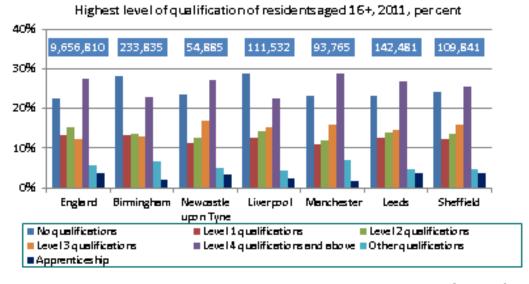
- 19. BCC should redefine their partnership approach. They should do this by:
  - a. Producing with their partners a clear statement of their partnership values, such as openness, transparency, learning, collaborating, safe and constructive challenge. These should be communicated and applied across the 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.
- 20. This should be done quickly and not as a bureaucratic exercise.

#### One city approach

- 21. A number of partners expressed the view that Birmingham lacks a place for the city's leaders to come together and deliberate.
- 22. The Trojan Horse Review Group recommended the creation of a civic leadership group both chaired and strongly represented by credible independent voices. This has not yet happened. But we agree with the Trojan Horse Review Group that a forum for 'collective civic leadership' is needed.
- 23. 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.
- 24. It will be for the independent Birmingham leadership group to determine the appropriate chair, but our view is that it should not be someone from the council.
- 25. This group should be used to help guide and deliver both the vision for the council and the partnership approach across the city. The group should be independent of the council, representative of the city's communities and should also take on work to engage with the city's communities to provide two-way feedback.

#### **Employment & skills partnership**

26. Britain's cities are increasingly competing with those overseas to attract and retain investment and talented people. However, too many people in Birmingham and the wider west midlands area do not have the skills they need to secure the jobs that are being created.



Source: Census, 2011

- 27. About 20% of people aged 16-64 in Birmingham have no formal qualifications.<sup>32</sup> That is around twice the national average. Similarly, Birmingham has significantly fewer residents with degree level and above qualifications than the national average, despite benefitting from excellent Universities.
- 28. Despite welcome reductions in unemployment over the past few years and strong performance in creating private sector jobs, Birmingham still suffers from relatively high unemployment and relatively low employment due to a mismatch between the skills of the population and the jobs that are being created in the local area.
- 29. This acts as a brake on the city's economy and is costing taxpayers around £500 million a year in out of work benefits.<sup>33</sup> The result is that the city is not achieving its potential. Between, 1997-2012 Birmingham's GVA per head grew by just 12% compared to 22% in the UK as a whole.<sup>34</sup> If the city's residents' income had grown at the same rate as the UK over the past decade, they would on average be £676 a year better off.
- 30. As a consequence there is a concentration in particular wards of both high unemployment and low skills. Almost a quarter of Birmingham's Lower Super Output Areas are in the top 5% of the most deprived areas in England.<sup>35</sup>
- 31. The scale of unemployment, depth of deprivation and extent of child poverty in the city will not improve while large numbers are excluded from the jobs that the wider

<sup>&</sup>lt;sup>32</sup> ONS (2013) 2013 Annual Population Survey.

<sup>&</sup>lt;sup>33</sup> DWP (2013) Benefit Expenditure by Local Authority.

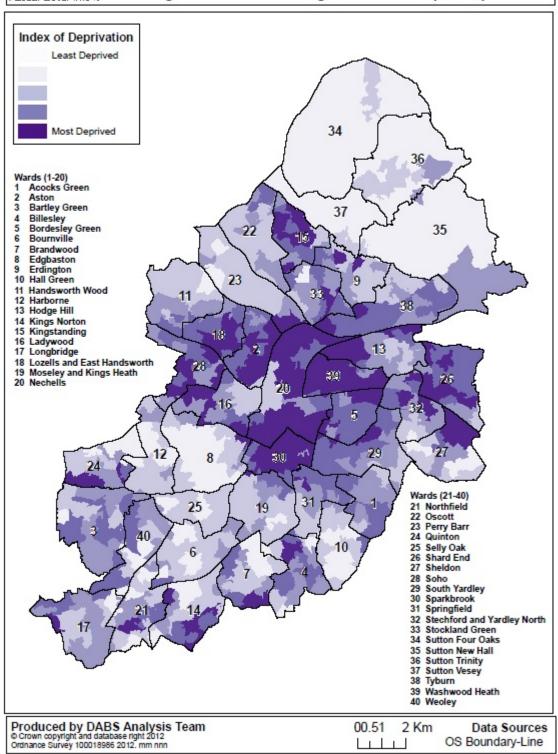
<sup>&</sup>lt;sup>34</sup> ONS (2013) Regional Gross Value Added.

<sup>&</sup>lt;sup>35</sup> DCLG (2011) Indices of Deprivation 2010.

- economy is creating due to lack of skills. These are the conditions in which distrust and division between communities could lead to challenges in community cohesion.
- 32. Improving the skills and employability of its citizens is likely to be a priority for the new combined authority. However, the geographic focus and scale of the challenge in parts of Birmingham means a priority initiative is required that is capable of tackling intertwined issues in a coordinated and targeted manner.
- 33. In order for Birmingham to take advantage of the increasing number of jobs being created by the economy, all the local partners in the city, including the council, recognise the need a change of gear is needed if they are going to be able to take advantage if the increasing number of employment opportunities that the economy is creating and this means addressing the skills problem the city faces. We recognise and welcome that commitment.
- 34. The Government should support the creation of a new locally-led high powered partnership vehicle focussed 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.



## Birmingham wards showing Index of Multiple Deprivation



## A decade of low skills, low employment and deprivation in Birmingham

There are parts of Birmingham that are among the most deprived areas in the country and have been so for decades. The deprivation is primarily the result of a patter of persistent worklessness in these areas. In 2014 the wards with the largest numbers of out of work benefits claimants in the city were the same wards as a decade earlier. These were:

- Sparkbrook
- Washwood Heath
- Aston
- Ladywood
- Soho
- Nechells

Birmingham has a higher proportion of residents with lower skills than the national average. This is a particular problem in certain parts of the city and there is a similar pattern of residents with low skills in east and central Birmingham and many of the same wards have had high concentrations of residents with no qualifications over time. In the following wards around 4 out of 10 residents had no qualifications in 2011 and 2001:

- Washwood Heath
- Bordsley Green
- Kingstanding
- Sparkbrook
- Shard End
- Tyburn

Our analysis suggests the skills partnership should initially pilot their new approach in Washwood Heath and Sparkbrook wards.

Sources: Out of Work Benefit Claimant for Small Areas and Census 2001, 2011

#### Communities

- 35. Local authorities have to be able to draw on the expertise of all their communities to inform their long-term vision for the area and to establish a clear set of priorities for local services.
- 36. There are 5 factors why connecting with communities is particularly challenging in Birmingham:
  - a. Birmingham's population is much more diverse than most of the other major cities in England. Only some parts of London are comparable;
  - b. Birmingham has a relatively young population. 22% of Birmingham's residents are aged under 15 years old and 46% are aged under 30 years old compared to 18% and 37% respectively across the UK;
  - c. Birmingham's population is growing fast. Between 2001 and 2012 Birmingham's population increased by 11% compared to 9% for Great Britain;
  - d. the city's population is becoming increasingly diverse with migrants from new countries joining established local communities; and,
  - e. we were told that in total, the city's population turns over by a third every ten years and that the rate of churn is highest in the more deprived areas of the city.
- 37. A young, diverse population that benefits from an influx of new ideas is potentially a significant strength for the city, but also presents challenges. That means that the council and councillors have to work harder to understand their residents to be an effective representative of their views.
- 38. We have spoken to many individuals and community representatives from across Birmingham and the variety of the different communities that comprise the city's residents. We found that, while progress has been made since 2005, the communities of Birmingham still feel there is a significant gap between them and the council. They feel unable to raise issues, and that they do not have a route to engage or have their voices heard.

## **Community engagement**

- 39. According to the Local Government Association (LGA), an organisation that engages with communities effectively has the following features:
  - a. a culture where councillors, directors, service managers and frontline staff value engagement;
  - b. a locally-based planning mechanism that feeds into service planning;
  - c. an identifiable staff resource to link community planning to operational management;

- d. an accessible way for residents to raise and track issues of concern, demonstrating how services have responded to their influence;
- e. a strong message within corporately produced guidance on service planning;
- f. a commitment to using the experience from everyday transactions (engagement between frontline staff and those who use services) to help shape those services; and,
- g. an openness to considering and developing new ways to deliver services. <sup>36</sup>
- 40. We have sought to test the council's approach against these principles.
- 41. There were 3 consistent issues that were raised with us:
  - a. the council tends to engage with people and groups it knows and is comfortable with. For example, the council's Big Conversation events and the Highbury 4 event were by invitation only;
  - b. there is the perception that community engagement meetings are 'talking shops'; and,
  - c. outside of these formal events we heard that the council's communications are based on a 'broadcast' model. The council does not have a community engagement strategy or toolkit, so where engagement happens it is ad-hoc instead of being strategic and interactive. The view is that the council's communication with communities is driven by their own planning processes and what the council wants to say rather than what people want to hear about and is updated.

"The Leaders Advisory Board was set up, but it was ineffective and complicated." Faith leader

- 42. The Big Conversation meetings are a good starting point, but the council and its partners will need to build on these promising first steps. It will need to ensure communities understand the future role of the council will increasingly be as an enabler and commissioner of services, rather than a provider of services, and to ensure that communities know what the council can do for them and the council knows what they are able to do for the council.
- 43. For example the reduction in the council's benefit advice work, and increase in demand from customers could be addressed if the council were speaking directly with minority groups about how they could support their own communities with self help on benefit applications and advice. We spoke to an organisation that didn't want grant funding, but just needed advice from the council on how they can run services for benefit advice.

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<sup>&</sup>lt;sup>36</sup> LGA (2010) 'Integrating community engagement and service delivery – pointers to good practice'.

#### Rooting decisions in the community

44. The council needs to move away from the invitation-only gatekeeper model of engagement with communities. There is little evidence that an understanding and knowledge of the diverse communities in Birmingham is being used to drive decision making in the council. However, the council has begun to hold a series of 'Big Conversation' events and some innovative work in this area to ascertain the level of previously unidentified need in children's services.

"We have an approach that spews out initiatives and pledges - that are good in their own right - but not a coherent strategy for the social side, as there is in the economic side" Cabinet member

"There is a general issue about sharing intelligence and feeding back into other teams and senior managers about what is happening on the ground. It needs a different culture – a method to collect and feedback out intelligence." Frontline staff

"The council generally needs more understanding of what is going on in the communities it serves." Community representative

- 45. We were told that one reason why the council did not tackle the issues in some of Birmingham's schools effectively prior to the publication of the 'Trojan Horse' letter was because despite, on the surface having a plethora of committees and meetings, the system for engaging with communities was not working well. As a result, they did not understand their local communities sufficiently to have the confidence to act.
- 46. We also found examples of decisions that were not based on an understanding of demand and need, nor was there routine use of the intelligence of those staff and councillors who work with communities each day feeding back into policy making.
- 47. The council intended to correct this through its own social inclusion White Paper. This set out a vision for what is referred to as 'Birmingham's Social Inclusion Process' and was developed in partnership with a number of community organisations. However, work on the White Paper by the council has stalled and it has not been adopted. When we asked, we were told there is no process yet in place to move things forward although options are under consideration.
- 48. Whilst the paper sets out the overall vision for social inclusion in the city, our view is the draft needs to go further to prioritise within it the geographical areas and thematic priorities across the city. To be successful this will need to be grounded in the new corporate planning framework (see chapter 3).
- 49. Many of the community representatives we spoke to need to make use of their local councillors. They are aware of them and know how to contact them. However, a

number of ward members have expressed their frustration that they are not always able to respond and they are not able to take up community issues successfully. Councillors told us they are unclear who to speak to about their concerns. There is a lack of space in formal district and ward meetings for more general conversations so the council is not able to hear what people want and to be able to react.

50. Councillors also feel that they do not have sufficient training to develop effective engagement.<sup>37</sup> As a result, elected members have told us that they are not supported enough to fulfil their role and responsibilities to residents.

"There is no clear direction from the centre for councillors on what they can and cannot do. Everything is 'wishy washy'" Backbench councillor

"We are not supported to serve communities. Decisions are made elsewhere at district level or in the centre. We find it difficult to get to the people we need to speak to about issues and either can't get to the right person or get no follow through." Backbench councillor

- 51. Formal ward committees should be changed to allow them to operate more like residents' community forums, providing a space for residents to spontaneously raise issues and have general discussions.
- 52. The council should amend the training and development offer to members to enable them to fulfil their responsibilities.

<sup>&</sup>lt;sup>37</sup> Note provided to the Review on behalf of the Governance, Resources and Customer Services Overview and Scrutiny Committee 7<sup>th</sup> November 2014.

## Next steps

- Birmingham City Council agreed the need for our review, has been a willing and helpful partner throughout the process and has already taken action based on our interim findings. We think it is essential that the council will accept and seek to implement our recommendations in full. On that basis, further statutory intervention will not be immediately necessary.
- 2. However, we believe the council will need robust independent support to be able to implement our recommendations and to improve its efficiency and effectiveness.
- 3. Alongside the recommendations contained in this report the Secretary of State should appoint an independent improvement panel that is able to work with the council to provide the robust challenge and support the council requires. We recommend the Secretary of State invites Lord Warner and Sir Mike Tomlinson to join the panel as ex-officio members. The council should draw up an improvement plan with clear dates for delivery. The independent improvement panel should provide regular updates to the Secretary of State and updates on progress should also be made to the city's residents.
- 4. The role of the independent improvement panel will be to provide independent support to the council and challenge where necessary, not simply to check on progress. The panel needs to be independent to provide challenge but the process of improvement needs a cross-party approach and to be owned by all council members and officers. As a result, the panel will need to have meetings with the leaders of each party group on the council and Chief Executive on at a minimum of a monthly basis during the course of the first year.
- 5. Birmingham City Council should produce an implementation plan setting out how they intend to implement recommendations in this report by March 2015. The independent improvement panel will provide their assessment of the plan to the Secretary of State.
- 6. We have suggested milestones in the annex to the review. It will be for the council to agree a timetable with the panel.
- 7. We expect the improvement panel's second report to the Secretary of State to be no later than the end of July 2015. It should include the panel's assessment of the steps taken to boost corporate capacity, to streamline corporate planning, to develop the new workforce plan, to establish a combined authority and to set a budget for 2016/17.
- 8. It will take some years for Birmingham City Council to address all its problems. However, Birmingham City Council should publish a report setting

out how it has implemented our recommendations in December 2015. The independent improvement panel will provide their assessment of this report and on the council's progress in setting a budget for 2016/17 to the Secretary of State.

9. For the council to improve it needs fundamental change, or the same questions about the size and structure of the council will continue to be asked. This process must start now and there must be demonstrable improvement over the next year or the panel will also need to decide whether further consideration is needed to establish the relative benefits and disbenefits of breaking the authority up.

# Annex A – Suggested milestones

December 2014	implementation plan started
2000201	implementation plan started
January 2015	update panel on 2016/17 and medium term financial plan
February 2015	Birmingham Leadership Group established
	<ul> <li>start development of City plan with partners</li> </ul>
March 2015	<ul> <li>statement of partnership values published</li> </ul>
	<ul> <li>Boundary Commission review begins</li> </ul>
April 2015	<ul> <li>business plan and staff objectives for 2015/16 start to reflect new priorities</li> </ul>
	<ul> <li>workforce plan published</li> </ul>
	<ul> <li>detailed employment and skills</li> </ul>
	proposal to Government
July 2015	<ul> <li>updated constitution reflects clarification of Member / Officer Roles, Districts new roles in Scrutiny, reduced central scrutiny committees and new roles for Ward committees</li> <li>City Plan agreed with Birmingham Leadership Group</li> <li>combined authority governance review completed</li> <li>medium term financial plan shared with panel</li> <li>panel's second report to Secretary of State</li> </ul>
October 2015	<ul> <li>new devolution model for services in place</li> </ul>
December 2015	<ul> <li>progress report published and panel's assessment of progress provided to Secretary of State</li> <li>skills and employment vehicle is</li> </ul>
	evident on the ground and demonstrating results

## Annex B – Terms of reference

The Leader of the City Council and the Secretary of State for Communities and Local Government have requested an independent review of Birmingham City Council. Sir Bob Kerslake, Permanent Secretary in Department for Communities and Local Government, will lead the review and report back to the Leader of the City Council and Secretary of State by 31 December 2014. The review will examine both the governance and organisational capabilities of the council with a view to making a series of recommendations on the economic and service delivery capabilities of the council. In conducting this review:

- Sir Bob will appoint an advisory panel to support him throughout the review, which will spend 5 days in Birmingham over the next 4 months to conduct interviews and hold evidence gathering sessions
- the panel will meet with Sir Bob on a regular basis
- Sir Bob will hold an open call for evidence as well as talking to key organisations in local government, including officials and politicians in Birmingham City Council, the Local Government Association, Members of Parliament and other relevant parties
- Birmingham City Council will provide support to the team working with Sir Bob, in particular sharing financial plans, past and present
- Birmingham City Council will loan a team leader to join the Birmingham team for the period of this review

The review will consider the operation, culture and structure of the corporate governance arrangement at the heart of the City Council. It will look at their effectiveness and appropriateness for supporting the leadership and local service delivery needed to secure the future propensity of the City, and the wellbeing of all who live, work, or visit there. Sir Bob will make recommendations for improving the efficiency and effectiveness of the City Council's corporate governance arrangements both in the short and medium term. The following lines of inquiry will be pursued:

- structure and size of Birmingham City Council
- clarity of strategic leadership and direction
- managerial capacity to deliver the council's priorities
- role of the council in representing the community
- financial planning and sustainability in the medium and long term
- performance management and accountability
- the council's approach to partnership

The review will take into account the findings of the recent reviews by Ian Kershaw, Peter Clark, Julian Le Grand and Lord Warner. It will also take into account the experiences and successes of other councils using the expertise of panel members.